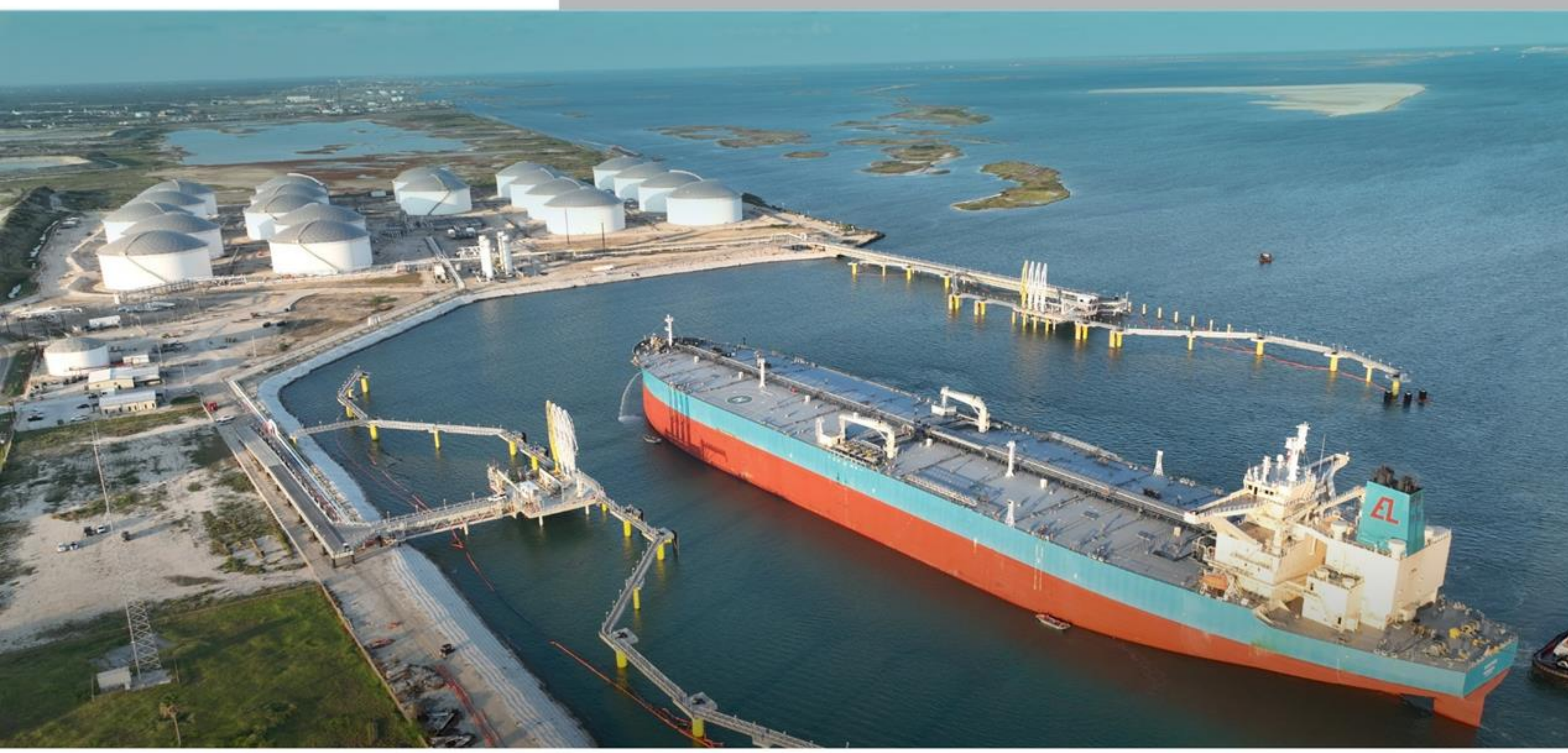
GIBSON ENERGY

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2023

TSX:GEI

FEBRUARY 20, 2024



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GLOSSARY OF TERMS AND DEFINED TERMS

In this Annual Information Form ("AIF"), references to "its", "Gibson" or "the Company" mean Gibson Energy Inc., its subsidiaries, partnerships and joint venture investments unless otherwise indicated or the context otherwise requires.

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms shall have the meanings set forth below.

2011 Equity Incentive Plan: The Company's long-term incentive plan.

2022 Notes: The Company's previously outstanding $300 million aggregate principal amount 5.375% senior unsecured notes due July 15, 2022, redeemed in full on October 17, 2019.

2024 Notes: The Company's previously outstanding $600 million aggregate principal amount 5.25% senior unsecured notes due July 15, 2024, redeemed in full on July 22, 2020.

2025 Notes: The Company's outstanding $325 million aggregate principal amount 2.45% senior unsecured notes due July 14, 2025. Interest is payable semi-annually on January 14 and July 14 of each year the notes are outstanding.

2026 Notes: The Company's outstanding $350 million aggregate principal amount 5.80% senior unsecured notes due July 12, 2026. Interest is payable semi-annually on January 12 and July 12 of each year the notes are outstanding.

2027 Notes: The Company's outstanding $325 million aggregate principal amount 2.85% senior unsecured notes due July 14, 2027. Interest is payable semi-annually on January 14 and July 14 of each year the notes are outstanding.

2029 Notes: The Company's outstanding $500 million aggregate principal amount 3.60% senior unsecured notes due September 17, 2029. Interest is payable semi-annually on March 17 and September 17 of each year the notes are outstanding.

2033 Notes: The Company's outstanding $350 million aggregate principal amount 5.75% senior unsecured notes due July 12, 2033. Interest is payable semi-annually on January 12 and July 12 of each year the notes are outstanding.

2053 Notes: The Company's outstanding $200 million aggregate principal amount 6.20% senior unsecured notes due July 12, 2053. Interest is payable semi-annually on January 12 and July 12 of each year the notes are outstanding.

2080 Hybrid Notes: The Company's outstanding $250 million aggregate principal amount of subordinated notes due December 22, 2080 as further described in "Description of Capital Structure – Long-term Debt". Interest is payable semi-annually on June 22 and December 22 of each year the notes are outstanding.

2083 Hybrid Notes: The Company's outstanding $200 million aggregate principal amount of subordinated notes due July 12, 2083 as further described in "Description of Capital Structure – Long-term Debt". Interest is payable semi-annually on January 12 and July 12 of each year the notes are outstanding.

5-Year Government of Canada Yield: On any date, means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the 5-Year Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers, selected by the Company, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

ABCA: *Business Corporations Act* (Alberta).

API Gravity: American Petroleum Institute Gravity, a measure of the relative density of liquid petroleum products.

asphalt: Liquid asphalt cement is primarily produced by petroleum distillation. Liquid asphalt cement is a dark brown to black cementitious material and is primarily used in the road construction and maintenance industry as well as for shingle manufacturing and roofing purposes.

barrel: One barrel of petroleum, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons.

biofuel: A fuel that is derived from biomass such as, plant, algae material or animal waste.

Board: The board of directors of Gibson Energy Inc.

BAR: The Business Acquisition Report is filed after completing a significant acquisition to describe the significant businesses acquired by a company and the effect of the acquisition on a company.

butane: A common LPG that is colorless and flammable, C4H10. Butane has numerous commercial uses and is used industrially as a feedstock for gasoline and in petrochemical production.

CDP: Formerly known as the Carbon Disclosure Project, CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Common Shares: The common shares in the capital of the Company.

condensate: A petroleum mixture composed primarily of pentane and heavier hydrocarbons, usually produced with, or extracted from natural gas, which is liquid at normal pressure and temperature. The component of NGLs that remains after the propane and butane have generally been removed, comprised of a pentane and higher hydrocarbon composition.

Conversion Preference Shares: Collectively, the Series 2020-A Conversion Preference Shares and the Series 2023-A Conversion Preference Shares.

COVID-19: The disease caused by the SARS-CoV-2 virus and subsequent mutations of that virus and the variants resulting therefrom.

crude oil: Naturally occurring mixture of liquid hydrocarbons which occurs in many varieties, or grades, which are often categorized by properties such as density and sulphur content.

DBR: DRUbit™ by Rail™.

DBRS Morningstar: Collectively the companies of DBRS Limited, DBRS, Inc., DBRS Ratings Limited and DBRS Ratings GmbH.

Debentures: The Company's previously outstanding $100 million aggregate principal amount 5.25% convertible debentures due July 15, 2021, were redeemed in full on December 23, 2020.

diesel: Combustible petroleum distillate used as a fuel for diesel engines.

diluent: A petroleum stock which is used to reduce the viscosity and increase the API Gravity of a heavier petroleum stock by dilution, typically condensate or butane.

distillate: A liquid condensed from vapor in distillation, including diesel and jet fuel.

drilling mud/fluid: Drilling mud/fluid is used to lubricate well drills and transport cut material to the surface, among other uses.

DRIP: Gibson's dividend reinvestment program, which was suspended on August 6, 2015.

DRU: The diluent recovery unit owned 50%/50% by USD Group and the Company, located near Hardisty, Alberta, Canada, a facility that separates diluent from heavier petroleum stock.

DSU: A deferred share unit issuable pursuant to the 2011 Equity Incentive Plan.

Edmonton Terminal: Gibson's terminal located at Edmonton, Alberta, with crude oil and petroleum products storage capacity that has receipt and delivery connections to major pipelines in the area.

emulsion: A mixture of crude oil, water, and other liquids.

Environmental Services North: A previously divested Gibson business unit that provided waste management services that processed, recovered, treated, terminalled and disposed of industrial waste streams in Western Canada. This business unit was disposed by Gibson on February 28, 2019.

ESG: Environmental, Social, Governance.

feedstock: A raw material required for an industrial process such as petrochemical processing or manufacturing.

frac fluids: A fluid, either water or hydrocarbon, used to transport proppant in a hydraulic fracture well completion.

gathering: Transportation of gases and liquids from the site of extraction to a storage facility or transmission line.

gasoline: Volatile, flammable liquid mixture of hydrocarbons obtained from petroleum.

Gateway Terminal: The Company's crude export terminal, located in Ingleside, Texas, acquired on August 1, 2023, through the acquisition of South Texas Gateway Terminal LLC.

GGPPA: Greenhouse Gas Pollution Pricing Act.

GHG: Greenhouse Gas.

Gibson Wink Terminal: Gibson's terminal located at Wink, Texas, U.S.

GRI: Global Reporting Initiative, an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.

Hardisty Terminal: Gibson's terminal located at Hardisty, Alberta, with crude oil storage capacity that has receipt and delivery connections to most major pipelines in the area and to the Hardisty Unit Train Facility.

Hardisty Unit Train Facility: A unit train facility at Hardisty, Alberta, jointly developed with USD Group, that includes an exclusive five-kilometer pipeline connection from the Hardisty Terminal.

IEA: International Energy Agency.

Interest Reset Date: Pertaining to the 2080 Hybrid Notes, from the date of issue to, but excluding, December 22, 2030 and on every fifth anniversary thereafter during which the 2080 Hybrid Notes are outstanding until December 22, 2080, each such date referred to as an Interest Reset Date. Pertaining to the 2083 Hybrid Notes, from the date of issue to, but excluding, July 12, 2028 and on every fifth anniversary thereafter during which the 2083 Hybrid Notes are outstanding until July 12, 2083, each such date referred to as an Interest Reset Date.

IPO: The initial public offering or the first sale of Common Shares by Gibson to the public which closed on June 15, 2011.

Legal Policies: means, collectively, the Company's: (i) Code of Conduct and Ethics; (ii) Insider Trading Policy; and (iii) Whistleblower Policy.

light ends: Petroleum products like propane and butane that rise to the top of distillation towers during the refining process.

LPG: Liquefied petroleum gas, typically comprised of ethane, propane and butane.

midstream: The industry term for the components of the energy industry in between the production of oil and gas (upstream) and the refining and distribution of refined and finished products (downstream).

Moose Jaw Facility: Gibson's heavy crude oil processing facility located at Moose Jaw, Saskatchewan, that produces asphaltic and lighter distillate products that are generally sold into specialized markets.

NCIB: Normal Course Issuer Bid, enabling the Company to purchase and cancel a prescribed number of Common Shares in the public market in accordance with the requirements of, and as approved by, the TSX.

Net Zero: Gibson's commitment to reduce 100% of its Scope 1 and 2 emissions based on a 2020 baseline by 2050 across its entire asset base through the application of existing technologies already in commercial use in North America, with the potential for superior alternatives to emerge over time, without relying heavily on offsets or credits.

NGLs: Natural gas liquids, comprised of ethane, propane, butane and natural gasoline.

Notes: Collectively, the 2025 Notes, 2026 Notes, 2027 Notes, 2029 Notes, 2033 Notes and 2053 Notes.

OMS: Operations Management System.

OPEC: Organization of Petroleum Exporting Countries.

pentane: A common flammable hydrocarbon, C5H12. Commonly used as fuel, diluent and as a solvent. A major component of condensate.

personnel: Collectively, the Company's directors, officers, employees, contractors, consultants and suppliers.

PPA: Power Purchase Agreement.

Preferred Shares: The preferred shares in the capital of the Company.

propane: A common LPG, C3H8, that is colorless and flammable. Used industrially in the petrochemical industry and commercially as a heating or engine fuel.

PSU: A performance share unit issuable pursuant to the 2011 Equity Inventive Plan.

Pyote East Pipeline: An oil gathering system located in the Permian Basin of West Texas.

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Refined Products business: The Company's business within the Marketing segment which markets the outputs of the Moose Jaw Facility.

Revolving Credit Facility: The Company's $1.0 billion unsecured sustainability-linked Revolving Credit Facility with a maturity date of February 10, 2028.

roofing flux: Processed asphaltic product used in the manufacturing of shingles and other roofing products.

RSU: A restricted share unit issuable pursuant to the 2011 Equity Incentive Plan.

SASB: Sustainability Accounting Standards Board, an independent non-profit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

SCADA: Supervisory control and data acquisition. Gibson's SCADA system is operated out of a central control room staffed with operators 24 hours per day, 7 days per week. Gibson's SCADA system allows the control room operators to govern the various equipment at each of the facilities including opening/closing valves, turning pumps on and off as well as, for example, selecting the speed of certain pumps, directing product to or from the appropriate tank and adjusting optimization ratios.

Series 2020-A Conversion Preference Shares: The Preference Shares, Series 2020-A; created as a result of an amendment to the Company's articles in connection with the 2080 Hybrid Notes.

Series 2023-A Conversion Preference Shares: The Preference Shares, Series 2023-A; created as a result of an amendment to the Company's articles in connection with the 2083 Hybrid Notes.

Shareholders: The holders of issued and outstanding Common Shares from time to time.

sour/sweet: Describes the quantity of sulfur content in a given crude oil. Sour refers to high sulfur, greater than 0.5% by weight, and sweet refers to low sulfur.

Subscription Receipts: The subscription receipts issued in connection with acquisition of the Gateway Terminal entitling the holders thereof to receive one Common Share, together with a dividend equivalent payment, upon the closing of the acquisition.

S&P: S&P Global Inc.

terminalling: The receipt of crude oil and petroleum products for storage into storage tanks and other related equipment, including pipelines, where the crude oil will be commingled with other products of similar quality; the storage of crude oil; and the delivery of the crude oil as directed by a distributor into a truck, vessel or pipeline.

Terminals and Pipelines business: The Company's business within the Infrastructure segment which comprises of the Hardisty Terminal, the Edmonton Terminal, the Gateway Terminal and Canadian and U.S. pipelines.

throughput: The volume of product transported or passing through a pipeline, plant, terminal or other facility over a stated period of time.

TIER: Technology Innovation and Emission Reduction Regulation (Alberta).

tops: A light sour crude oil, where asphaltenes have been removed as a result of the refining process, which is a feedstock for refiners.

Truck Transportation Canada: A previously divested Gibson business unit that provided transportation and related services, including hauling services for crude, condensate, propane, butane, asphalt, methanol, sulfur, petroleum coke, emulsion, waste water and drilling fluids. This business unit was disposed by Gibson on July 2, 2019.

TCFD: Task Force on Climate Related Financial Disclosure.

TSX: Toronto Stock Exchange.

U.S.: United States of America.

U.S. Environmental Services: A previously divested Gibson business unit that engaged in trucking and transportation in the U.S. and included a network of midstream infrastructure assets such as processing, recovery and disposal facilities. This business unit was disposed by Gibson on May 3, 2018.

USD Group: U.S. Development Group, LLC.

VGO: Vacuum Gas Oil. A feedstock for fluid catalytic crackers used to make gasoline, gasoil and many other by-products.

Viking Pipeline: Gibson's oil gathering system which transports oil from the Alberta Viking oil play into the Hardisty Terminal.

VLCC: Very Large Crude Carriers.

VOC: Volatile Organic Compounds.

WCSB: Western Canadian Sedimentary Basin.

wellsite fluids: Includes oil-based drilling and frac fluids used in the drilling and completion of oil and natural gas wells.

Wholesale Propane: A previously divested Gibson business unit that purchased, sold and optimized NGLs. This business unit was disposed by Gibson on December 4, 2018.

WTI: West Texas Intermediate, a type of crude oil used as a benchmark in crude oil pricing.

FORWARD-LOOKING INFORMATION

Certain statements and information included or referred to in this AIF constitute forward-looking information (as such term is defined under applicable Canadian securities laws). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking information. The use of any of the words “anticipate", "plan", "contemplate", "continue", "aim", "target", "goal", "must", "commit", "estimate", "expect", "extend", "propose", "endeavour", "remain", "future", "intend", "might", "may", "can", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "long-term", "pursue", "potential", "possibility", "capable" and similar expressions expressing future outcomes or statements regarding an outlook are intended to identify forward-looking information. Forward-looking information, included or referred to in this AIF include, but are not limited to statements with respect to:

- the key attributes of the Company's business strategy and strengths, including but not limited to the Company's infrastructure focus, segment profits, distributable cash flow per share, a secure and growing dividend, cash flows and the underpinnings thereof, as discussed under "Description of the Business – Business Strategy and Strengths";
- the Company's ability to obtain the anticipated benefits from the acquisition of the Gateway Terminal and the renewable power purchase agreement;
- the Company's competitive position and ability to secure new business;
- the proportion of the Company's electricity needs to be met by renewable energy sources, and its impact on the Company's GHG emissions;
- the Company's ability to capitalize on its blending capabilities in Edmonton and connectivity to the Trans Mountain Expansion and other pipelines;
- the Company's ability to provide incremental connectivity and other services to existing terminal customers and changes in the services to be offered by the Company;
- maintaining a strong balance sheet and financial position;
- the Company's projections relating to target leverage and payout ratios, distributable cash flow and credit ratings;
- the Company's investment in new equipment, technology, facilities and personnel;
- the Company's ability to execute its current business strategy, achieve related milestones and sustainability and ESG targets, and the associated impacts to the Company's reputation and ability to attract capital;
- the Company's ability to position itself as a strong economic sustainability leader and integrate the principles of sustainability into the evaluation and pursuit of the Company's business strategy and commercial opportunities;
- the Company's commitment to being a leader in health and safety;
- additional storage capacity under construction and the timing thereof;

- the Company's commitment to transparent reporting in respect of sustainability and helping to mitigate the impacts of climate change;
- the Company's sustainability and ESG goals and ability to deliver meaningful GHG emissions reductions;
- achieving the Company's Net Zero by 2050 and expectations and plans related to its Net Zero by 2050 ambition and its effectiveness;
- the continued global shift to a lower carbon economy;
- reducing the Company's environmental impact;
- the Company's commitment to building and maintaining positive, long-term relationships with local communities and Indigenous Peoples;
- the Company's governance structure, policies and Board oversight;
- the Company's robust cybersecurity measures and its ability to safeguard its data and maintain dependability and potential attempted cyber attacks;
- the Company's long-term value generation for stakeholders and the drivers thereof;
- the availability of sufficient capital and liquidity for the Company's planned growth;
- new technology and drilling methodology being deployed towards conventional and unconventional production within the Company's operating areas;
- uncertainty and volatility relating to commodity prices and price differentials between crude oil streams and blending agents;
- the anticipated benefits and functionality of the DRU;
- the effect of competition in regions of North America, including the likelihood of new competitors seeking to replicate the Company's asset base and service offerings in the foreseeable future;
- the effect of market volatility on the Company's marketing revenues and activities;
- the Company's ability to pay down and retire indebtedness;
- the Company's plans for additional strategic acquisitions, growth projects, capital expenditures or other similar transactions, including the costs thereof and cash flows therefrom;
- in-service dates for new storage capacity and new projects being constructed by the Company;
- the Company's planned hedging activities;
- the Company's projections of commodity purchase and sales activities;
- the Company's projections of currency and interest rate fluctuations;
- the Company's projections with respect to the adoption and implementation of new accounting standards and policies;
- the sources of the Company's cash flows;
- the Company's projections of dividends; and
- the Company's dividend policy.

With respect to forward-looking information contained in this AIF, assumptions and estimates have been made regarding, among other things:

- the accuracy of historical and forward-looking operational and financial information and estimates, including that provided by the sellers of the Gateway Terminal;
- the Company's ability to obtain the anticipated benefits from the acquisition of the Gateway Terminal and the renewable power purchase agreement;
- the Company's ability to integrate the Gateway Terminal and related assets into its operations;
- the accuracy of financial and operational projections of the Company following completion of the acquisition of Gateway Terminal;
- the completion of Gateway Terminal's connection to the Cactus II Pipeline;
- the impact of geopolitical instability in certain regions of the world and concern regarding energy security or international or global events, including government responses related thereto on demand for crude oil and petroleum products and the Company's operations generally;
- general economic and industry conditions including, without limitation, macroeconomic, societal, political and industry trends;
- future growth in world-wide demand for crude oil and petroleum products;
- commodity prices;
- no material defaults by the counterparties to agreements with the Company;
- the Company's ability to obtain qualified and diverse personnel and equipment in a timely and cost-efficient manner or at all;
- the regulatory framework governing taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business;
- the energy transition that is underway as the world shifts towards a lower carbon economy and a maintained industry focus on sustainability and ESG, and the impact thereof on the Company;
- the development and performance of technology and new energy efficient products, services and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets and carbon price outlook;
- the Company's relationships with the communities in which we operate;
- climate-related estimates and scenarios and the accuracy thereof, including the cost of compliance with climate change legislation and the impact thereof on the Company;
- the impact of emerging regulations on the nature of oil and gas operations, expenditures in the oil and gas industry, and demand for its products and services;
- credit ratings applicable to the Company;
- the Company's ability to achieve its sustainability and ESG targets, the timing thereof and the impact thereof on the Company;
- the Company's future investments in new technologies and innovation and the return thereon;

- operating and borrowing costs, including those related to the Company's sustainability and ESG programs;
- future capital expenditures to be made by the Company, including its ability to place assets into service as currently planned and scheduled;
- the effectiveness of the Company's hedging and risk management activities;
- the Company's ability to obtain financing on acceptable terms;
- the Company's ability to maintain a strong balance sheet and financial position;
- the Company's future debt levels;
- the Company's decommissioning obligations and environmental remediation costs;
- inflation and changes to interest rates and their impact on the Company;
- the impact of increasing competition on the Company;
- the impact of changes in government policies on the Company;
- the ability of the Company and, as applicable, its partner(s), to construct and place assets into service and the associated costs of such projects;
- the Company's ability to generate sufficient cash flow to meet the Company's current and future obligations;
- the Company's dividend policy;
- product supply and demand;
- demand for the services offered by the Company;
- the likelihood of success of any claim or action against the Company and the impact thereof;
- the Company's ability to renegotiate contracts on terms favorable to the Company;
- the impact of future changes in accounting policies on the Company's consolidated financial statements; and
- the Company's ability to successfully implement the plans and programs disclosed in the Company's strategy.

In addition, this AIF may contain forward-looking information attributed to third party industry sources. The Company does not undertake any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable securities laws. Actual results could differ materially from those anticipated in forward-looking information as a result of numerous risks and uncertainties including, but not limited to, the risks and uncertainties described in "Risk Factors" included in this AIF. Readers should also refer to "Forward-Looking Information" and "Risk Factors" in the Company's current Management’s Discussion and Analysis and to the risk factors described in other documents the Company files from time to time with Canadian securities regulatory authorities, available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.gibsonenergy.com. No assurance can be given that these expectations will prove to be correct. As such, forward-looking information included or referred to in this AIF and the Company's other filings with Canadian securities regulatory authorities should not be unduly relied upon. These statements speak only as of the date of this AIF.

Information on, or connected to, the Company's website www.gibsonenergy.com does not form part of this AIF.

The forward-looking information included or referred to in this AIF is expressly qualified by this cautionary statement and is made as of the date of this AIF.

Terminology and References

Scope 1 emissions are direct emissions from facilities owned and operated by Gibson.

Scope 2 emissions are indirect emissions from the generation of purchased energy for Gibson's owned and operated facilities.

Scope 3 emissions are indirect emissions not included in Scope 1 or Scope 2 that Gibson indirectly impacts in its value chain.

All references in this AIF to Net Zero include Scope 1 and Scope 2 emissions only.

All references in this AIF to Gibson's business and asset base are only inclusive of the equity portion of facilities Gibson owns and operates.

GIBSON ENERGY INC.

Incorporation and Organization

The Company was incorporated as "Gibson Energy Inc." under the ABCA on April 21, 2011. On June 15, 2011, concurrent with the consummation of the IPO, Gibson Energy Inc., Gibson Energy Holding ULC and 1441682 Alberta Ltd. amalgamated into one entity, with the surviving entity being Gibson Energy Inc. (the "Reorganization"). The Reorganization was a common control transaction whereby Gibson Energy Inc. was accounted for using continuity of interest and, as such, Gibson Energy Inc. is considered a continuity of Gibson Energy Holding ULC.

On December 1, 2021, Gibson Energy ULC and Gibson Energy Inc. completed a short-form vertical amalgamation with the resulting entity being Gibson Energy Inc.

The Company's head office and registered office is located at 1700, 440-2nd Avenue, S.W., Calgary, Alberta, Canada T2P 5E9.

Corporate Structure

The following organizational chart illustrates Gibson's material subsidiaries, including its jurisdictions of incorporation, formation or organization and the percentage of voting securities owned, or controlled or directed, directly or indirectly, by Gibson or its subsidiaries.

Principal Subsidiaries(1)	Jurisdiction of Incorporation/ Formation/ Organization	Ownership
Gibson Energy Infrastructure Partnership	Alberta	100%
Moose Jaw Refinery Partnership	Alberta	100%
South Texas Gateway Terminal LLC	Delaware U.S.	100%

(1) Subsidiaries are omitted where, at Gibson's most recent financial year-end: (i) the total assets of the subsidiary do not exceed 10 percent of Gibson's consolidated assets; (ii) the revenue of the subsidiary does not exceed 10 percent of Gibson's consolidated revenue; and (iii) the conditions in (i) and (ii) would be satisfied if the omitted subsidiaries were aggregated, and the reference in (i) and (ii) changed from 10 percent to 20 percent.

General Development of Gibson

Developments Since 2021

In the first quarter of 2021, the Company announced the establishment of short- and long-term sustainability targets. The Company entered into a long-term agreement with Suncor Energy Inc. for services at the Edmonton Terminal and sanctioned the related biofuels blending project on a fixed-fee basis and a 25-year term to facilitate the storage, blending and transportation of renewable diesel. The Company also announced an increase to its quarterly dividend of $0.01 per Common Share, or approximately three percent, to $0.35 per Common Share.

In the second quarter of 2021, the Company amended its $750 million Revolving Credit Facility to establish a sustainability-linked credit facility and, amongst other amendments, extended the maturity date from February 2025 to April 2026.

In the third quarter of 2021, the Company announced the sanction of a new 435,000-barrel tank at the Edmonton Terminal, under a long-term take-or-pay contract with a new investment grade energy customer, to be placed into service early 2023.

In the fourth quarter of 2021, the Company published its TCFD Report 2020 Sustainability Performance Data Update and announced its Net Zero by 2050 commitment. The Company received an "AAA" rating from MSCI ESG Ratings, being only one of three companies globally in MSCI ESG Ratings' Oil & Gas Refining, Marketing, Transportation and Storage sector to receive this leadership rating at the time. In addition, the Company announced the DRU had been declared fully operational and the shipment of DBR had commenced.

In the first quarter of 2022, the Company announced an increase to its quarterly dividend of $0.02 per Common Share, or approximately six percent, to $0.37 per Common Share. In addition, the Company announced the appointment of Heidi L. Dutton to the Board.

In the second quarter of 2022, the Company completed the fuel switching project at the Moose Jaw Facility, increasing throughput capacity to 24,000 barrels per day, or by 10%, while reducing emissions intensity by 15%. The Company placed the biofuels blending project at its Edmonton Terminal into service on schedule and within budgeted capital on a fixed-fee basis and a 25-year term. The Company also renewed its principal $750 million Revolving Credit Facility, which features sustainability-linked terms, extending its maturity into 2027.

In the third quarter of 2022, the Company announced the appointment of Diane A. Kazarian to the Board, who has extensive experience with financial reporting and risk management. With this appointment, the Company also achieved a target of at least 40% gender diversity on the Board. Additionally, the Company published its Indigenous Relations Guiding Principles to continue embedding principles of Truth and Reconciliation into its culture, decision-making and operational and business practices at all levels of the organization.

In the fourth quarter of 2022, the Company published its 2021 Sustainability Report showcasing progress on its sustainability journey and providing a report on progress towards its 2025 and 2030 sustainability targets. The Company was added to the GLIO/GRESB ESG Index, the world's first specialist ESG-filtered listed infrastructure index.

During the year ended December 31, 2022, the Company purchased for cancellation 6.0 million Common Shares at an average price of $24.39 per Common Share for total consideration of $146.1 million pursuant to the NCIB.

In the first quarter of 2023, the Company announced an increase to its quarterly dividend of $0.02 per Common Share, or approximately five percent, to $0.39 per Common Share. The Company also renewed its principal $750 million Revolving Credit Facility, which features sustainability-linked terms, extending its maturity into 2028. In addition, Gibson was recognized as one of Alberta's Top 75 Employers and Canada's Best Diversity Employers by the Canada Top 100 Employers organization for the second year in a row.

In the second quarter of 2023, the Company sanctioned two 435,000 barrel tanks as well as significant supporting infrastructure at Edmonton with an expected in service date in 2024, which will further increase its high-quality, long-term infrastructure revenues.

In the third quarter of 2023, the Company successfully closed the acquisition of 100% of the membership interests of South Texas Gateway Terminal LLC for U.S. $1.1 billion, through which Gibson acquired the Gateway Terminal; this purpose-built high-quality crude oil export facility complements and diversifies the Company's existing high quality liquids infrastructure asset base and contributes to further reducing its already industry-leading emissions intensity. To finance the acquisition, the Company issued the 2026 Notes, the 2033 Notes, the 2053 Notes and the 2083 Hybrid Notes for gross proceeds of $1.1 billion, as well as the Subscription Receipts for gross proceeds of approximately $403 million. In connection with the acquisition, the Company filed a BAR dated October 6, 2023, which is available on SEDAR+ at www.sedarplus.ca. Concurrent with the closing of the Transaction, Gibson also closed an amendment to increase the size of its sustainability-linked Revolving Credit Facility from $750 million to $1 billion.

In addition, the Company released its 2022 Sustainability Update Report and announced it had entered into a 15-year renewable energy PPA with Capstone Infrastructure Corporation and Sawridge First Nation's Buffalo Atlee 2 and 4 wind farms, which is expected to meet over 50% of Gibson's annual electricity needs based on a 2020 baseline.

In the fourth quarter of 2023, the Company announced the appointment of Maria A. Hooper and Khalid A. Muslih to the Board, both of whom have extensive experience with the U.S. and global energy markets. With this appointment, the Company also achieved the target of over 50% of Board positions being held by members of diverse communities.

In 2023, the Company completed construction on the previously announced 435,000-barrel tank at the Edmonton Terminal, under a long-term, take-or-pay contract with an investment grade customer. Construction of the tank was completed on time and on budget and is awaiting commissioning contingent on the Trans Mountain pipeline expansion becoming operational.

During the year ended December 31, 2023, the Company purchased for cancellation 2.1 million Common Shares at an average price of $22.91 per Common Share for total consideration of approximately $48.4 million pursuant to the NCIB.

Developments Subsequent to December 31, 2023

On January 9, 2024, the Company announcement the appointment of Craig V. Richardson to its Board.

On February 20, 2024, the Board declared a quarterly dividend on its outstanding Common Shares of $0.41 per Common Share, an increase of $0.02 per Common Share, for the first quarter of 2024.

DESCRIPTION OF THE BUSINESS

Company Overview

Gibson is a leading liquids infrastructure company with its principal businesses consisting of the storage, optimization, processing, and gathering of liquids and refined products. Headquartered in Calgary, Alberta, the Company's operations are located across North America, with core terminal assets located in Hardisty and Edmonton, Alberta, Ingleside, Texas, and a heavy crude oil processing facility in Moose Jaw, Saskatchewan.

For over 70 years, the Company has delivered infrastructure and midstream solutions to customers in the oil and gas industry, safely and reliably. The Company has grown by focusing its service offerings around the core terminal assets, as well as expanding infrastructure service offerings to the oil sands and Viking basins in Canada and the Permian basin in the U.S.

Business Strategy and Strengths

The key attributes of the Company's strategy are:

(a) a liquids infrastructure focus, with the Infrastructure segment comprising approximately 80% of total segment profit, with 80% of total segment profit coming from the Terminals and Pipelines business;

(b) targeting attractive distributable cash flow per share growth; and

(c) offering a secure, growing dividend that is underpinned by long-term contracts with investment grade counterparties at its terminal assets, with total Company cash flows expected to be comprised of approximately 80% take-or-pay, stable fee-based structures, inclusive of internal take-or-pay arrangements.

In order to be successful in its strategy, the Company will:

- leverage its competitive position at its Canadian terminals to continue to secure a significant proportion of new tankage business. Through offering the most connectivity to inbound and outbound pipelines at Hardisty, exclusive access to the only unit train rail facility at Hardisty, as well as the first diluent recovery unit in Western Canada, the Company has built a position that provides a competitive advantage to service its customers. Furthermore, the Company is positioned to capitalize on its connectivity to the Trans Mountain Expansion pipeline and blending capabilities in Edmonton. At the newly acquired Gateway Terminal at Ingleside, the Company will seek to grow throughput volumes, increase the number of vessel windows, and maximize tankage by leveraging its competitively advantaged location and connections to key long-haul pipelines linking the facility to low-cost Permian and Eagle Ford supply. The Company will also utilize its capability to simultaneously load two VLCCs to continue to increase throughput and grow associated cash flow. In addition, the Company intends to execute additional opportunities within all its terminals to provide incremental connectivity and other services to existing terminal customers;

- leverage its existing infrastructure platform in Canada and growing position in the U.S. in competing for the tankage, DRU, rail loading, gathering pipeline and other related infrastructure opportunities as well as projects that assist its customers with the energy transition;
- maintain a strong balance sheet and financial position through targeting a leverage ratio of 3.0x–3.5x and a payout ratio of 70%–80% of distributable cash flow. The Company will fund its growth capital through internally generated cash flows and will subsequently seek to fund growth capital with a maximum of 50%–60% debt. The Company aims to maintain an investment grade credit rating to continue to access decreased funding costs with increased access to capital;
- remain highly skilled in building and operating infrastructure while aggressively managing costs to maintain and improve operating margins. The Company will be customer-focused and will foster long-term relationships with customers in order to better understand their infrastructure requirements and be more responsive in providing the best solutions for them;
- maintain a position as a sustainability leader in its industry, as well as continue to integrate the principles of sustainability into the Company's evaluation of its business strategy and commercial opportunities; and
- continue its firm commitment to be a leader in health and safety. The Company's experienced leadership team has a proven history of successful operations and a strong industry reputation.

Economic Dependence

The Company is not a party to any contract for the purchase or sale of services or products or any other agreement upon which its business is substantially dependent. In addition, the Company is not a party to any contracts or subcontracts which terminate, or which are subject to renegotiation this current financial year, and which would reasonably be expected to materially affect the Company's business.

Segment Overview

The Company's operations are comprised of two integrated segments:

(a) *Infrastructure* includes a network of infrastructure assets that includes terminals, a marine export facility, rail loading and unloading facilities, gathering pipelines, the DRU and a crude oil processing facility. The primary facilities within this segment include the Hardisty, Edmonton and Gateway Terminals, which are the principal hubs for aggregating and exporting liquids and refined products out of the WCSB and the Permian and Eagle Ford basin, gathering pipelines connected to the

Hardisty Terminal, gathering pipelines located in the United States and a crude oil processing facility in Moose Jaw, Saskatchewan.

(b) *Marketing* involves the purchasing, selling, storing and optimizing of hydrocarbon products as part of supplying the Moose Jaw Facility and marketing its refined products, as well as part of supplying and driving volumes through the Company's key infrastructure assets. The hydrocarbon products would include crude oil, NGLs, road asphalt, roofing flux, frac oils, light and heavy straight run distillates, VGO and an oil-based drilling mud product. The Marketing segment's opportunities are typically location, quality or time-based. The Marketing segment sources the majority of its hydrocarbon products from Western Canada and markets those products throughout Canada and the U.S.

The following table shows the Company's revenues from its operations for the years ended December 31, 2023 and 2022.

Revenue ($ in thousands)	**Years ended December 31,**	
Segment revenue	**2023**	**2022**
Infrastructure	616,686	525,810
Marketing	10,703,676	10,828,234
Total segment revenue	11,320,362	11,354,044
Revenue – inter-segmental	(305,668)	(318,633)
Total revenue – external	11,014,694	11,035,411

Operations

Infrastructure

Business Overview

The Company's Infrastructure segment is principally composed of its terminals at Hardisty, Edmonton and Ingleside, and other crude oil infrastructure assets including the DRU, rail loading and unloading facilities, gathering pipelines and a crude oil processing facility.

The Hardisty and Edmonton Terminals are the principal hubs for aggregating and exporting liquids and refined products out of the WCSB. The Hardisty Terminal comprises of approximately 13.5 million barrels of storage and has averaged approximately 1.1 million barrels per day of throughput in 2023. In 2021, the Company brought the DRU into service with a nameplate capacity of 50,000 barrels per day. The Company also has a network of approximately 500 kilometers of crude oil pipelines surrounding the Hardisty Terminal with a combined nameplate throughput capacity of approximately 90,000 barrels per day. The Hardisty Terminal, as well as the DRU, have exclusive access to the Hardisty Unit Train Facility (and connection thereto), which has the ability to load approximately three and a half unit trains per day. The Edmonton Terminal comprises of approximately 2.1 million barrels of storage, with an additional 870,000 barrels under construction, and also has manifest rail loading/offloading capabilities. The Edmonton Terminal averaged approximately 140,000 barrels per day of throughput in 2023. Both terminals are well connected to major pipelines within their respective areas. In May 2022, as part of the Biofuels Blending

Project at the Edmonton Terminal, Gibson brought into service the additional infrastructure required to facilitate the storage, blending, and transportation of renewable diesel.

The Company's recently acquired crude oil export facility, known as the Gateway Terminal, is a deep-water, open access marine terminal in Ingleside, Texas at the mouth of the Corpus Christi Bay, and acts as a key link between low cost of production Permian and Eagle Ford oil and global markets. The Gateway Terminal comprises of approximately 8.6 million barrels of storage and has averaged approximately 600,000 barrels per day of throughput in 2023. With two deep-water docks that enable the simultaneous loading of VLCCs, the Gateway Terminal is the second largest U.S. crude oil export terminal by capacity.

The Company has developed a terminal and a gathering footprint around the emerging market hub in Wink, Texas, having placed the Pyote East Pipeline into service in late 2019, as well as the Flintlock Pipeline and Gibson Wink Terminal into service in 2020. In addition, the Pyote West Pipeline was connected into the Gibson Wink Terminal in 2022. At the end of 2023, Gibson had approximately 277,000 acres dedicated to its gathering network. The Company continues to expand its gathering system and increase its connectivity to third party infrastructure in the area to better position the Gibson Wink Terminal to secure agreements with third parties for tankage in the future.

The Infrastructure segment also includes a crude oil processing facility located in Moose Jaw, Saskatchewan with a current throughput capacity of up to 24,000 barrels per day, depending on crude feedstock. The facility generally runs a heavy crude feedstock, with the resulting light end products composed of tops, heavy distillate, light distillate and VGO, while heavy end products include roofing flux and road asphalt.

Description of Services

The Hardisty Terminal has storage, receipt and delivery connections to all major pipelines in the area, the Hardisty Unit Train Facility and the DRU. The Hardisty Terminal also receives product from Gibson's Provost and Viking pipelines while the Bellshill pipeline is currently not in use. The Edmonton Terminal has storage, receipt and delivery connections to major pipelines in the area, including pipeline connectivity with certain refining and upgrading facilities. In addition to pipeline receipts, crude oil and condensate are trucked into all of Gibson's terminals.

The DRU separates the diluent that has been added to raw bitumen in the production process. It creates DRUbit, which can be shipped as DBR. The DBR provides an egress option that safely and sustainably moves heavy Canadian crude oil from Canada to the U.S. Gulf Coast.

The Gateway Terminal is strategically connected to the Permian and Eagle Ford basins and has the ability to deliver crude oil to global markets. The Gateway Terminal has storage capacity, connectivity to multiple inbound pipelines, and access to Corpus Christi Ship Channel for export.

The Gibson Wink Terminal is strategically located at a central hub in the Delaware Basin and has the ability to deliver crude oil to multiple egress pipelines transporting oil from the Permian Basin to the U.S. Gulf Coast. The Company's Pyote East Pipeline, Pyote West Pipeline and Flintlock Pipeline are platforms for potential future business development and infrastructure growth in the Permian basin and have delivery connections to major pipelines in the area.

The Infrastructure segment operates the Moose Jaw Facility on behalf of the Refined Products business, processing crude oil into refined products. The Marketing segment sources the crude oil used in the refining process and markets the refined products produced.

The Infrastructure segment includes an equity investment in a crude-by-rail storage terminal and a pipeline connection to a common carrier crude oil pipeline in Joliet, Illinois.

Customers and Contracts

The Company provides fee-based storage and terminal services and tariff-based pipeline services to a wide range of customers including producers, refiners, marketers and integrated companies. End users for the Company's Infrastructure segment services are primarily major exploration and production companies, marketers and refiners, with product reaching the end markets via major export pipelines and rail infrastructure to which the Company's assets are connected. The Company also contracts certain of its infrastructure assets, such as the Moose Jaw Facility and crude oil storage tanks to its Marketing segment on a take-or-pay basis.

The Company's Infrastructure segment primarily conducts business using long-term take-or-pay contracts and stable fee-for-service contracts which comprised approximately 72% and 25% of segment revenues in 2023, respectively. Approximately 16% and 10% of total Infrastructure segment revenues were earned through intercompany take-or-pay arrangements and intercompany fee-for-service arrangements in 2023, respectively.

Competition

Certain major midstream companies have existing storage facilities, including some that are connected to their long-haul pipeline systems, that compete with the Company's storage facilities. Competition among terminals is based on location, connectivity of assets and the range of services provided. Competition among pipelines is based primarily on transportation charges, availability of service to producing areas and access to specific crude oil blend streams by the owners of the crude oil.

The Company believes that due to the commercial challenges in securing connection agreements with inbound and outbound egress pipelines required to develop the Company's strategic position at Hardisty and Edmonton, and the capital requirements to construct such connections, it is unlikely that new competitors would seek to replicate the Company's asset base and service offerings in the foreseeable future.

Having the first diluent recovery unit in operation in Western Canada, the Company continues to establish itself as a unique service provider. The DRU’s access to Gibson's infrastructure at Hardisty and brownfield economics on subsequent phases will give the Company a significant advantage over alternative diluent recovery unit projects that may be considered. Pipeline egress will indirectly compete with the DRU.

The Gateway Terminal is uniquely positioned relative to competing Texas Gulf Coast export terminals, utilizing a multi-million-barrel merchant fungible storage system and operating as one of only two VLCC-capable export terminals in the region. Most competing terminals within the Texas Gulf Coast are limited to Aframax and Suezmax capabilities, and the capital requirements needed to replicate the scale and capabilities of the Gateway terminal, including the associated dockage, pipeline and storage capacity, would make the development of further competing terminals difficult to commercialize.

Many of the Moose Jaw Facility's competitors are fully integrated national or multinational oil companies engaged in various segments of the petroleum business. However, most of the facility's competitors typically produce asphalt as a by-product of their gasoline production and do not focus on asphalt quality and consistency, which is a primary focus of the Moose Jaw Facility. With regards to other refined products sales, the competitors range from multinational companies to independent producers of competing products, as well as purchasers and resellers from North American supply sources that compete in this market.

Marketing

Business Overview

The Company's Marketing segment markets the outputs of the Moose Jaw Facility through the Refined Products business and provides marketing services to drive volume-based business to the Company's Infrastructure segment by leveraging and optimizing Gibson's terminals and pipelines.

The Refined Products business leases the Moose Jaw Facility from the Infrastructure segment and is responsible for sourcing the crude oil processed by the Moose Jaw Facility and marketing the refined products that are produced by the facility. The Moose Jaw Facility has approximately 1.1 million barrels of storage capacity onsite, with an additional 380,000 barrels offsite in Canada and in the U.S., and access to over 1,200 leased rail cars. The Marketing segment seeks to generate margins within the Refined Products business by selling finished products into high value markets.

By using the Company's assets, including its producer services capabilities, to physically source the components, store or optimize those components and/or market the resulting targeted crude oil grades and refined products, the Marketing segment creates increased liquidity for customers and drives volumes to the Company's Hardisty and Edmonton assets.

The Marketing segment's opportunities are typically location, quality or time-based. Location-based opportunities arise when value differentials between commodity prices at two locations are greater than the transportation cost between the two locations. In these circumstances, the Company can use its own, or third party, transportation assets to physically move the product and capture the value differential. Quality-based opportunities derive from situations where various grades of crude oil and diluent must be combined to meet a certain stream specification, including custom grades and pipeline specifications, often providing a solution for upstream and end-user customers. Time-based opportunities may arise when the forward price curve is in contango, meaning that forward month prices are greater than the current month's prices. In this market situation, physical commodities could potentially be stored and sold forward using physical or financial contracts at prices that are higher than the current value of the commodity.

The Marketing segment purchases, sells, stores and optimizes crude oil, NGLs and refined products, marketing an average of approximately 615,000 physical barrels per day in 2023.

Description of Services

The Marketing segment includes the purchasing, selling, storing and optimizing of hydrocarbon products, including crude oil, NGLs, road asphalt, roofing flux, frac oils, light and heavy straight run distillates, VGO, and an oil-based drilling mud feedstock. Gibson operates an extensive transportation network and provides a critical link from the wellhead to the refinery gate, which leads to time, quality and location-based opportunities. Gibson's asset network allows the Company to provide increased assurance to producers that their production will not get shut-in due to logistical issues between the wellhead and injection into a main line pipeline system. The extent of the Company's asset network and producer relationships allow Gibson to source more barrels for its Marketing segment.

Customers and Contracts

The Company's Marketing segment buys and sells crude oil, NGLs and refined products. The largest component of its revenues is the sale of crude oil. In the crude oil business, the Company's customer base is diversified and includes major integrated oil companies, producers, refiners and other market participants. The Refined Products business customer base includes road construction companies, governments, roofing shingle manufacturers, oilfield drilling contractors, refiners as well as oil and gas exploration and production companies.

The Company enters into purchase and sale agreements for crude oil, NGLs and refined products. These purchase and sale agreements are typically priced relative to market indices. The Company may also enter into longer-term supply arrangements and may make purchases on the spot market as well. The Marketing segment is exposed to commodity price fluctuations arising between the time contracted volumes are purchased and the time they are sold, as well as being exposed to pricing differentials between different geographic markets and/or hydrocarbon qualities. These risks are managed by purchasing and selling products at prices based on the same or similar indices or benchmarks, and through physical and financial contracts that include energy-related forward contracts, swaps, futures, options and other hedging instruments. Fair values of these derivative contracts fluctuate depending on the commodity prices and can impact the net income in the form of realized or unrealized gains and losses, often offset by physical inventories, that can change significantly period over period.

Competition

The Company's competitors in the Marketing segment include other oil and gas infrastructure and midstream companies, major integrated oil companies, their marketing affiliates and independent gatherers, investment banks that have established a trading platform, brokers and marketers of widely varying sizes, financial resources and experience. There are large players in the refined product marketing business which include fully integrated national or multinational oil companies engaged in various segments of the petroleum business. However, most of these competitors produce varying specifications of refined products which do not compete directly in the markets that are a focus for Gibson, namely high-quality asphalts and alternative distillate markets. Competition in the NGL marketing business is high; however, there are significant barriers to entry such as high capital requirements.

SUSTAINABILITY

Gibson plays an integral role in the North American energy value chain and is committed to operating its business in a responsible and sustainable manner and recognizes its role and responsibility in shaping a better tomorrow for all stakeholders. Around the world, there has been continued discussion around energy security, affordability and sustainability as the importance of reliable energy from a trusted provider is brought to the forefront. Gibson has responded to these challenges by looking for opportunities to drive change beyond the Company's operations and better serve society through continued progress on its ambitious sustainability targets, while continuing to deliver energy in an environmentally and socially conscious manner without losing sight of the interests of all stakeholders.

Gibson views sustainability as a strategic priority and is committed to integrating and evolving such principles into its everyday business and strategy. By conducting its business responsibly through actively managing risk and upholding the highest standards of governance and ethics, Gibson aims to provide long-term value to its Shareholders and other stakeholders.

The Company continued to enhance its disclosure on its sustainability performance through the release of its 2022 Sustainability Update Report in September 2023, which is available on the Company's website at www.gibsonenergy.com. The report focuses on Gibson's sustainability performance and the meaningful work that was accomplished or is currently underway since the 2021 Sustainability Report was published the previous year. In addition, the 2022 Sustainability Update Report highlights the progress made toward the Company's sustainability targets and provides an update to Gibson's sustainability performance metrics. The report content was guided by the TCFD recommendations as well as the SASB standards for the Midstream and Refining & Marketing industries and the GRI Core option.

Throughout 2023, Gibson continued its sustainability journey and made progress toward achieving its sustainability targets and Net Zero by 2050 commitment, as outlined in the 2022 Sustainability Update Report. The Company has achieved several of its social and governance targets ahead of their respective deadlines and has made progress towards its emissions targets, while recognizing that there remains work to do in optimizing Gibson's emissions profile. When bringing new assets into Gibson's portfolio, such as the Gateway Terminal, the Company is committed to ensuring that such assets are operated safely, responsibly and sustainably, while exploring ways to improve the asset's emissions profile. The Company recognizes that progress is not linear and is committed to transparent reporting on its journey toward achieving its sustainability targets and helping mitigate the impacts of climate change.

The Company believes that its strong sustainability profile as well as its significant efforts to further its sustainability initiatives could be an opportunity for the Company to differentiate itself to ESG-focused investors and customers. In turn, the Company could potentially improve its access to capital and its ability to further enhance its offerings to customers, as well as improve the Company's ability to attract and retain a highly skilled workforce. As Gibson progresses on its sustainability journey, the Company will continue to demonstrate its leadership as a safe and responsible midstream energy company with leading ESG performance in its peer group.

Environmental

Gibson is committed to protecting and ensuring the safety and integrity of the environment across its business. The Company has advanced this pillar through identifying GHG reduction and optimization opportunities in line with the Net Zero by 2050 commitment and has embedded the identification and inclusion of emission and energy reducing options, including environmental sustainability factors, into its decision-making processes.

In seeking to maintain transparent disclosure on GHG emissions, in 2023 the Company engaged third parties to quantify and verify its equity share of 2022 Scope 1, Scope 2 and Scope 3 emissions for all its Canadian and U.S. operations. The Company also made its fourth annual submission of the CDP Climate Change Questionnaire, which assesses companies on the comprehensiveness of their disclosure, awareness and management of environment and climate-related risks and demonstration of best practices associated with climate leadership and maintained its leadership score of "A–" for the fourth year in a row. Gibson is committed to doing its part to foster a healthy, sustainable economy by reducing GHG emissions to help limit the rise of global temperatures and reduce the impacts of climate change. In 2023, in seeking to reduce its existing emissions footprint and progress towards its emission reduction targets, Gibson entered into a PPA with Capstone Infrastructure Corporation to purchase power and Environmental Attributes from the Buffalo Atlee Phases 2 and 4 wind projects, located near Jenner, AB. Together, the projects have a nameplate capacity of 26 megawatts and are anticipated to produce enough renewable wind power to reduce Gibson's Scope 2 emissions by over 50%. The Buffalo Atlee projects are being built and operated by Capstone in partnership with the Sawridge First Nation, who have an equity interest in the projects. The Company has also developed a pathway to achieve its Net Zero by 2050 commitment, in which Gibson can reduce its Scope 1 and 2 emissions across its entire asset base through the application of existing technologies already in commercial use in North America, with the potential for superior alternatives to emerge over time, without relying heavily on offsets or credits.

Gibson acknowledges the energy transition is underway and will continue to unfold as the world shifts towards a lower carbon economy, with the understanding that the pace and magnitude of this energy transition remains uncertain and may vary between jurisdictions. The Company continues to identify and monitor opportunities for its asset base to support the energy transition and the changing needs of its customers. Through continuous improvement of operations, strategic investment in technology and innovation, expansion of low carbon products and services and proactive collaboration with government, industry partners, suppliers and customers, the Company believes it will be well positioned to deliver meaningful GHG emissions reductions and remain a strong economic leader in sustainable energy.

Beyond working to reduce GHG emissions, Gibson aims for sound environmental management through a variety of initiatives related to other air emissions, water, waste, biodiversity and land management. As a responsible company, Gibson is an environmental steward of the land on which it operates and when planning to develop or grow its operations, considers the biodiversity and habitat with efforts to assess and understand potential impacts and undertake mitigations as required. In 2023, Gibson completed an initial enterprise-wide biodiversity analysis and mapping exercise to provide better insight into potential sensitive areas and at-risk species near its assets. The Company also endeavours to reduce its environmental impact by recycling waste and water through various recovery processes and returning water back to basins where possible. Gibson also completed 2023 without any regulatory reportable spills, a decrease from 5 reportable spills in 2022 and 7 reportable spills in 2021.

Social

Ensuring the health and safety, well-being and professional development of the Company's people, investing in high-impact initiatives and developing strong, mutually beneficial relationships with stakeholders and Indigenous rights-holders are core to the Company's values. Operating with excellence ensures the safety, integrity and reliability of the Company's operations and assets, while creating a culture of inclusiveness attracts top talent and skill sets.

The safety and protection of people, the environment and its assets is paramount to Gibson's definition of being a responsible business. Gibson is committed to continually improving its safety performance, enhancing its safety culture and promoting health and wellness, with the ultimate aspirational goal always being zero harm to people, the environment and assets. In 2023, as part of its perpetual focus on employee health and safety, Gibson continued its Mission Zero Program and continued to implement targeted safety campaigns and also updated its Eight Life Saving Rules to maintain alignment with industry best practices. The success of the Company's health and safety programs was reflected in Lost Time Injury Frequency and Recordable Vehicle Incident Frequency rates of 0 for both employees and contractors for the fourth year in a row. Gibson recorded 7.2 million hours without a lost time injury for its employee and contract workforce, placing the Company in an industry leading position in relation to its peers. The Company also achieved a Total Recordable Injury Frequency in 2023 of 0.43 for employees, maintaining its target of achieving top quartile employee safety performance among Canadian and U.S. midstream peers.

To advance its social initiatives, the Company continued its commitment to contribute a minimum of $1 million annually to the communities where its employees live and work as well as a continued focus on encouraging its employees to engage in volunteering and fundraising activities. As part of its annual community investment spending, Gibson contributed over $1.6 million in 2023, with 95% of employees participating through employee giving and/or volunteering initiatives.

Gibson is committed to building positive, long-term relationships with local communities and to establishing, maintaining and strengthening mutually beneficial relationships with Indigenous Peoples in Canada and their respective leadership and communities built on trust, respect and reconciliation. In 2023, the Company published its Indigenous Peoples Policy, which guides Gibson's relationships with Indigenous Peoples and outlines its responsibilities and commitments for embedding the principles of Truth and Reconciliation into its culture, decision-making and operational and business practices at all levels of the organization. Gibson also initiated a five-year, $175,000 partnership with the Gord Downie & Chanie Wenjack Fund, which aims to build cultural understanding and create a path toward reconciliation between Indigenous and non-Indigenous peoples. In addition, the Company rolled out Indigenous Awareness Training for all employees and directors.

Gibson also continues to integrate sustainability considerations into its procurement practices by conducting stewardship meetings with its top spend suppliers annually and including sustainability criteria in its supplier selection and due diligence processes. In 2023, the Company began an initial assessment of potential human rights and modern slavery risks in Gibson's supply chain, to proactively manage risks and stay ahead of legislative requirements under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

The Company also continued to make progress on its diversity and inclusion commitments and its short and long-term objectives for improving its workforce diversity, including three key strategic pillars around which efforts have been focused: Find & Recruit, Retain, Recognize & Reward, and Develop & Grow, with programs successfully initiated across all three pillars. In 2023, the Company exceeded or maintained its targets of having at least one racial and ethnic minority and/or Indigenous Person on the Board and in Senior Management, as well as at least 40% women representation on the Board, ahead of a 2025 target date.

In 2023, Gibson was recognized as one of Alberta's Top 75 Employers and one of Canada's Best Diversity Employers by the Canada Top 100 Employers organization for the second year in a row.

Governance

Gibson believes that ethical business practices, transparency in financial reporting and strong governance are essential components of the Company's success. Gibson recognizes that corporate governance is fundamental to the success of the business and instrumental in generating long-term value for the Company's stakeholders.

Recognizing the importance of Board oversight for sustainability, the Company has a dedicated Sustainability and ESG Committee. The Committee is chaired by Judy E. Cotte, a recognized expert on ESG and responsible investment, and the Committee will continue to provide dedicated oversight and support of the Company's sustainability strategy, targets and management systems.

In 2023, the weighting of sustainability-related targets and metrics in the Short-Term Incentive Program for employees and executives was 35% as the Company believes it has an obligation to drive behavior that aligns with its values and culture.

Gibson continues its commitment to uphold its status as a reputable operator and vital provider of infrastructure, while also ensuring robust cybersecurity measures are implemented to safeguard its data and maintain the dependability of services for its partners. Gibson has been actively fortifying its cybersecurity capabilities and maturity by collaborating with technology infrastructure and services providers, as well as industry partners, to survey and evaluate the overall security environment and ensure the progression of the Company's cybersecurity program.

The Company continued to be recognized for its strong sustainability performance and governance in 2023. Gibson maintained its AAA ESG Rating from MSCI and maintained strong ratings from other major

ESG data providers, holding the highest average ranking from a combination of S&P Global Corporate Sustainability Assessment, MSCI, CDP and Sustainalytics, relative to its most comparable peers. In 2023, the Company was acknowledged in the S&P Global 2023 Sustainability Yearbook. The Company's governance practices were also recognized by the Globe and Mail Board Games Governance rankings as being in the top quartile of companies, achieving a score of 90/100 (ranked 27th) for excellence in governance. In addition, as at December 31, 2023, the Company received a Sustainalytics ESG Risk Rating of 17.0, ranking 2 out of 208 (top 1%) among the Refiners & Pipelines industry group globally.

ESG Policies

The Company is committed to maintaining a high standard of corporate governance and ethical policies and practices, both within the corporate boardroom and throughout its operations.

The Company's corporate governance policies and practices are designed with a view to:

- ensure it operates in a safe, reliable and environmentally responsible manner;
- ensure it meets its obligations to all regulatory bodies, business partners, customers, stakeholders, employees and Shareholders; and
- ensure its businesses are effectively managed in the best interests of all stakeholders.

Code of Conduct and Ethics

The Company's Code of Conduct and Ethics outlines the employee qualities and cultural elements that the Company values, including contributing and adding value every day, keeping its edge and being resilient, staying focused and open-minded, and working together. The Company's Code of Conduct and Ethics embodies the values to guide personnel in identifying and managing business situations, allowing the Company to conduct business in a responsible and ethical manner, and treating those with whom it deals with fairness and respect. The Company's Code of Conduct and Ethics specifically addresses the Company's expectations for its personnel regarding compliance with laws, conflict of interest, confidentiality and disclosure, labour and human rights, environmental regulations, health and safety, use of company property and resources, retention of documents and records and reporting financial transactions. The Code of Conduct and Ethics also provides information on how personnel can report any violations of law, rules, regulations or actions that violate the Code of Conduct and Ethics, either through internal channels to their supervisor, manager or business unit executive or via the anonymous Gibson EthicsLine hotline. In 2020, the Company implemented a Legal Policy Compliance Course pursuant to which applicable personnel are required, on an annual basis to (i) certify that they have reviewed, understand and will comply with the Legal Policies; and (ii) report any instances of non-compliance of which they are aware. For 2023, all directors and 100% of employees and contract workers certified their compliance with the Code of Conduct and Ethics and no breaches were identified by management. A copy of the Company's Code of Conduct and Ethics has been filed on the Company's SEDAR+ profile at www.sedarplus.ca and is available on the Company's website at www.gibsonenergy.com.

Operations Policy

The environment, health and safety are top priorities in all of the Company's operations and business activities. The Company is committed to being an industry leader in conducting its business so that it meets or exceeds all legal and regulatory requirements or standards, protects the health and safety of its employees, contractors, agents and the public and safeguards the environment affected by its activities. These areas are of paramount importance to the Board, management, employees and contractors at the Company. Through its Operations Policy, the Company strives to operate with excellence by ensuring the safety, integrity and resilience of its operations, assets and governance structures.

To effectively align with the values and commitments set out in the Operations Policy, the Company has designed and implemented an Operations Management System (OMS). The OMS outlines how the Company operates, continuously improves, and interconnects its operations to achieve an incident-free workplace and support the strong performance that is fundamental to its success. A clearly articulated OMS enables the Company to:

- identify and manage operational risks and opportunities;
- identify, prioritize and manage deficiencies; and
- systematically improve high priority work processes to achieve desired performance.

The OMS program is built around four key processes: Assess, Plan, Implement and Verify. These processes are reviewed annually to ensure that the management system is effectively implemented and maintained. This supports a continuous improvement cycle to ensure that initiatives are adequately resourced and managed, and that opportunities for improvement are identified, prioritized and acted upon.

The OMS framework is made up of 24 elements representing key operational focus areas covering all aspects of successful operations, and the 24 elements reflect an integrated approach toward achieving operational excellence. Each element consists of a high-level expectation statement that outlines the Company's commitment to the operational focus area as well as a set of requirements summarizing commitments to be fulfilled by the Company's Operations and Engineering department, which satisfy internal standards and align with external regulations.

Diversity and Inclusion Policy

The Company's Diversity and Inclusion Policy encourages diversity and inclusion throughout all levels of the organization based on attributes such as gender, ethnicity, race, disabilities, age, sexual orientation, religion, and family status. This policy articulates the Company's belief that diversity and inclusion allows for better governance and enhanced performance through the contribution of different perspectives and experiences. The policy also articulates aspirational targets regarding the representation of women as well as racial, ethnic and/or Indigenous Persons on the Board and across the Gibson workforce. The Company's success reflects the quality, skills and experience of its employees, who all have a responsibility to support and foster a diverse and inclusive culture.

Whistleblower Policy

The Company's Whistleblower Policy provides guidance to its personnel on the practices and procedures for the reporting of complaints and anonymous submissions of concerns relating to the alleged non-compliance or violation of various laws, rules, and regulations or actions that violate the Company's Code of Conduct and Ethics, the Company's Diversity and Inclusion Policy and/or any other Company policies or procedures. Reporting of concerns may be made: (i) directly to a supervisor, manager or business unit executive; (ii) to the Chair of the Board or the Chair of the Audit Committee through the anonymous Gibson EthicsLine which is available both by telephone and through the internet; and (iii) to the Chair of the Board or Chair of the Audit Committee, via mail or other means of delivery as set forth in the Whistleblower Policy. In 2023, the Company received a total of 2 confidential reports through the Gibson EthicsLine. Of these reports, none involved financial reporting or internal controls over financial reporting, nor did they otherwise identify a breach of the Code of Conduct and Ethics or any other Gibson policy. All reports received have been investigated and closed.

The Whistleblower Policy must be reviewed and certified by all applicable personnel on an annual basis as part of the Legal Policy Compliance Course.

Insider Trading Policy

The Company is committed to ensuring the conduct of all employees, direct and indirect service providers, officers and directors complies with applicable securities laws. The Insider Trading Policy provides guidelines to ensure compliance with all applicable securities laws governing insider trading and tipping when in possession of material non-public information. The Insider Trading Policy must be reviewed and certified by all applicable personnel on an annual basis as part of the Legal Policy Compliance Course.

Respectful Workplace Policy

The Company believes it is important to provide a workplace where all employees are treated fairly, differences are acknowledged and valued, communication is open and civil, conflict is addressed early and collaboratively, and there is a culture of empowerment and co-operation. The Company's Respectful Workplace Training and Policy supports its commitment and responsibility to provide a safe and healthy workplace and recognizes that employees and the Company have a shared responsibility in promoting a respectful workplace.

Additional Policies

The Company has enacted additional policies and principles that support its governance practices and ensure the protection of the health, safety and welfare of its employees, contingent workers, contractors and the public, as at December 31, 2023 such policies were as follows:

- Indigenous Peoples Policy: outlines Gibson's approach to Indigenous relations and the engagement of Indigenous Peoples based on the Company's Indigenous Relations Guiding Principles

- Labour and Human Rights Policy: establishes universal expectations for respect and care for all people affected by the Company's operations
- Supplier Code of Conduct and Ethics: expands on the Code of Conduct and Ethics and explicitly outlines the Company's expectations for Suppliers
- Canadian Drug and Alcohol Policy: establishes safety standards to ensure a workplace free of hazards related to substance abuse, as well and identifying support programs, prevention, and treatment options for employees in Canada
- U.S. Drug and Alcohol Policy: establishes safety standards to ensure a workplace free of hazards related to substance abuse, as well and identifying support programs, prevention, and treatment options for employees in the United States
- IT Assets Acceptable Use Policy: establishes expectations for IT asset use by directors, staff and contractors
- Incentive Compensation Clawback Policy: establishes guidelines for the recovery of performance-based compensation of senior management upon the occurrence of certain events
- Equity Retention Policy: sets out guidelines for continued share holding requirements for senior management following cessation of employment
- Share Ownership Policy: sets out guidelines for share and equity holding requirements for directors and senior management of the Company
- Shareholder Engagement Policy: provides a uniform approach to allow for meaningful engagement of shareholders with the Board
- Related Party Transactions Policy: establishes a report and review regime for managing conflicts of interest and transactions that involve senior management or directors with an interest in the counterparty

Subsequent to December 31, 2023, the following policies were also approved by the Board:

- Sustainability Policy: guides Gibson's commitment to operating sustainably and to being a responsible steward of the environment and good corporate citizen
- Anti-Bribery and Anti-Corruption Policy: provides guidance to Gibson personnel regarding conducting business ethically and with integrity with respect to bribery, corruption and other financial crimes

Gibson's various governance policies can be found on the Company's website at www.gibsonenergy.com.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

The Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. As at December 31, 2023, there were 161,659,913 Common Shares issued and outstanding and no Preferred Shares were issued and outstanding.

Common Shares

Holders of Common Shares are entitled to one vote per Common Share at all meetings of Shareholders, to receive dividends if, as and when declared by the Company and to receive the remaining property and assets of the Company upon dissolution, subject to the prior rights and privileges attaching to any other class of shares of the Company.

Preferred Shares

The Preferred Shares are issuable in series and have such rights, restrictions, conditions and limitations as the Board may by resolution fix from time to time before the issue thereof. The number of Preferred Shares, in the aggregate, which may be issued and outstanding at any time shall be limited to a number equal to but not more than twenty percent (20%) of the number of issued and outstanding Common Shares at the time of issuance of any Preferred Shares. There are no Preferred Shares issued and outstanding.

In connection with the issuance of the 2080 Hybrid Notes, the Company is authorized to issue the Series 2020-A Conversion Preference Shares into which the 2080 Hybrid Notes are automatically convertible in certain circumstances under the terms of the supplemental indenture governing the 2080 Hybrid Notes. In connection with the issuance of the 2083 Hybrid Notes, the Company is authorized to issue the Series 2023-A Conversion Preference Shares into which the 2083 Hybrid Notes are automatically convertible in certain circumstances under the terms of the supplemental indenture governing the 2083 Hybrid Notes.

The Company may issue an unlimited number of Conversion Preference Shares. The Conversion Preference Shares have an issue price of $1,000 per share and holders of Conversion Preference Shares will be entitled to receive cumulative preferential cash dividends, if, as and when declared by the Board (subject to the ABCA). The holders of Conversion Preference Shares shall not be entitled to receive notice of or to attend or vote at meetings of the Shareholders, except as required by law.

On or after September 22, 2030, and subject to certain restrictions, the Company may, at its option, redeem all or any part of the Series 2020-A Conversion Preference Shares then outstanding on any semi-annual dividend payment date, by the payment of an amount in cash for each whole Series 2020-A Conversion Preference Share to be redeemed equal to $1,000 plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Company). On or after July 12, 2028, and subject to certain restrictions, the Company may, at its option, redeem all or any part of the Series 2023-A Conversion Preference Shares then outstanding on any semi-annual dividend payment date, by the payment of an amount in cash or for each whole Series 2023-A Conversion Preference Share to be redeemed equal to $1,000 plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Company).

Subject to certain restrictions the Company may from time to time purchase for cancellation all or any part of the Conversion Preference Shares then outstanding at any price by tender to all holders of Conversion Preference Shares or through the facilities of any stock exchange on which the Conversion Preference Shares are listed, if any, or in any other manner.

In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of assets of the Company among its Shareholders for the purpose of winding-up its affairs, holders of Conversion Preference Shares shall be entitled to receive $1,000 per whole Conversion Preference Share together with all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Company) before any amount is paid or any property or assets of the Company are distributed to the holders of the Common Shares.

Normal Course Issuer Bid

On September 13, 2023, the Company announced the renewal of its NCIB enabling the Company to purchase and cancel up to 7.5%, or 9,812,193 of the public float for the issued and outstanding Common Shares during the 12 month period commencing on September 15, 2023 in accordance with the applicable rules and policies of the TSX and applicable securities laws. During the year ended December 31, 2023, the Company purchased for cancellation 2.1 million Common Shares at an average price of $22.91 per Common Share for total consideration of approximately $48.4 million, under the previous NCIB. Under the currently allowable NCIB limit, the Company has repurchased no Common Shares as at December 31, 2023, leaving 9,812,193 Common Shares available for repurchase prior to September 14, 2024.

Under the NCIB, Common Shares may be repurchased in open market transactions on the TSX, and/or other Canadian alternative trading platforms. In accordance with the rules of the TSX governing a NCIB, the total number of Common Shares the Company is permitted to purchase is subject to a daily purchase limit of 212,613 Common Shares, representing 25% of the average daily trading volume of Common Shares on the TSX calculated for the six-month period ended August 31, 2023. However, the Company may make one block purchase per calendar week which exceeds the daily repurchase restriction. The NCIB will terminate at the earlier of September 14, 2024 and the date on which the maximum number of Common Shares that can be acquired pursuant to the NCIB have been purchased.

The price that Gibson pays for any Common Shares repurchased in open market transactions under the NCIB is equal to the market price at the time of purchase. Gibson believes that the availability of the NCIB enables the Company to maximize return to Shareholders. The actual number of Common Shares that may be purchased, if any, and the timing of any such purchases, is determined by Gibson based on a number of factors, including the continued adherence to its financial governing principles.

The Company has adopted an automatic purchase plan with its broker, BMO Nesbitt Burns Inc., in order to facilitate purchases of its Common Shares. The automatic purchase plan allows for purchases by the Company of its Common Shares at any time, including, without limitation, when the Company would ordinarily not be permitted to make purchases due to regulatory restriction or self-imposed blackout periods. Purchases of Common Shares under the automatic purchase plan, if any, are made by Gibson's broker based upon the parameters prescribed by the TSX and the terms of the parties' written agreement.

Long-term Debt

Revolving Credit Facility

The Company has a sustainability-linked Revolving Credit Facility for which, on February 10, 2023, the maturity date was extended to February 10, 2028 from April 17, 2027, amongst other amendments. On August 1, 2023, in conjunction with the acquisition of South Texas Gateway Terminal LLC, Gibson amended the Revolving Credit Facility by upsizing the size of the facility from $750 million to $1.0 billion.

The Revolving Credit Facility includes terms that increase or reduce the borrowing costs as Sustainability targets are met or missed. The performance determinants are comprised of:

- Environmental: the reduction of Scope 1 and Scope 2 GHG emissions intensity by 15% by 2025;
- Social: increasing the representation of women in the workforce to 40% – 42% as well as racial and ethnic minority representation in the workforce to 21% – 23% by 2025; and
- Governance: increasing the representation of women on the Board to at least 40% as well as at least one member of the Board identifying as racial or ethnic minority and/or Indigenous by 2025.

The Revolving Credit Facility is available to the Company to provide financing for working capital, fund capital expenditures and other general corporate purposes, and has an extendible term of five years, expiring on February 10, 2028. The Revolving Credit Facility permits letters of credit, swing line loans and borrowings in Canadian dollars and U.S. dollars. Borrowings under the Revolving Credit Facility bear interest at a rate equal to Canadian Prime Rate or U.S. Base Rate or SOFR or Canadian Bankers' Acceptance Rate, as the case may be, plus an applicable margin. The Company must pay standby fees on the unused portion of the Revolving Credit Facility and customary letter of credit fees equal to the applicable margins determined in a manner similar to the interest.

The Company also has two bilateral demand credit facilities which provide for Canadian and U.S. dollar loans and letters of credit available for general corporate purposes with an aggregate capacity totaling $150 million. Borrowings under the bilateral demand credit facilities bear interest at a rate equal to Canadian Prime Rate or U.S. Base Rate or SOFR or Canadian Bankers' Acceptance Rate, as the case may be, plus applicable margin. The applicable margin for borrowings under the bilateral demand credit facilities is subject to step up and step down based on the Company's credit rating.

Senior Unsecured Notes

Other than the issuance of the 2026 Notes, 2033 Notes and 2053 Notes, there were no material changes to the Notes in 2023.

On September 17, 2019, the Company issued the 2029 Notes. The Company used the net proceeds of the 2029 Notes for the redemption of its outstanding 2022 Notes, to reduce outstanding indebtedness under its Revolving Credit Facility and for general corporate purposes.

On July 14, 2020, the Company issued an aggregate $650 million of senior unsecured medium-term notes, comprised equally of the 2025 Notes and 2027 Notes. The Company used the net proceeds of the 2025 Notes and 2027 Notes for the redemption of its outstanding 2024 Notes, to reduce outstanding indebtedness under its Revolving Credit Facility and for general corporate purposes.

On July 12, 2023, the Company issued an aggregate $900 million of senior unsecured medium-term notes, comprised of the 2026 Notes, 2033 Notes and 2053 Notes to fund a portion of the purchase price for the acquisition of the Gateway Terminal as well as to pay fees and expenses associated with such acquisition.

The respective indentures governing the terms of the Notes contain certain redemption options whereby the Company can redeem all or part of the Notes at prices set forth in the applicable indenture on the dates specified therein. In addition, the holders of the Notes have the right to require the Company to purchase their notes at 101% of the principal amount in the event of a change of control triggering event being both a change of control of the Company and a ratings decline as such terms are defined in the applicable indenture.

2080 Hybrid Notes

There were no material changes to the 2080 Hybrid Notes in 2023.

On December 22, 2020, the Company issued the 2080 Hybrid Notes due December 22, 2080. The 2080 Hybrid Notes currently receive 50% equity treatment by the Company's rating agencies, under certain conditions.

The Company will pay interest on the 2080 Hybrid Notes in equal semi-annual installments on June 22 and December 22. From the date of issue to, but excluding, December 22, 2030 and on every fifth anniversary thereafter during which the 2080 Hybrid Notes are outstanding until December 22, 2080, the interest rate on the 2080 Hybrid Notes will be reset at a fixed rate, per annum equal to the 5-Year Government of Canada Yield on the business day prior to such Interest Reset Date plus, (i) for the period from, and including, December 22, 2030 to, but not including, December 22, 2050, 4.715% and (ii) for the period from, and including, December 22, 2050 to, but not including, December 22, 2080, 5.465%, in each case to be reset on each Interest Reset Date.

The 2080 Hybrid Notes are automatically convertible into the Series 2020-A Conversion Preference Shares in certain circumstances. The 2080 Hybrid Notes, including accrued and unpaid interest thereon, will be converted automatically, without consent of the holders thereof, into Series 2020-A Conversion Preference Shares upon the occurrence of certain bankruptcy and related events.

The Company may, at its option, redeem the 2080 Hybrid Notes, in whole or in part from time to time, at the prices set forth in the applicable indenture on the dates specified in the applicable indenture. In addition, the holders of the 2080 Hybrid Notes have the right to require the Company to repurchase the 2080 Hybrid Notes at the purchase prices set forth in the applicable indentures in the event of a change in control triggering event, being both a change of control of the Company or a ratings decline of the applicable notes to below an investment grade rating, as such terms are defined in the applicable indenture.

For more information about the Series 2020-A Conversion Preference Shares please refer to the "Description of Capital Structure – Share Capital" section in this AIF.

2083 Hybrid Notes

On July 12, 2023, the Company issued the 2083 Hybrid Notes due July 12, 2083. The 2083 Hybrid Notes currently receive 50% equity treatment by the Company's rating agencies, under certain conditions.

The Company will pay interest on the 2083 Hybrid Notes in equal semi-annual installments on January 12 and July 12. From the date of issue to, but excluding, July 12, 2028 and on every fifth anniversary thereafter during which the 2083 Hybrid Notes are outstanding until July 12, 2083, the interest rate on the 2083 Hybrid Notes will be reset at a fixed rate, per annum equal to the 5-Year Government of Canada Yield on the business day prior to such Interest Reset Date plus, (i) for the period from, and including, July 12, 2028 to, but not including, July 12, 2033, 5.041%, (ii) for the period from, and including, July 12, 2033 to, but not including, July 12, 2048, 5.291% and (iii) for the period from, and including, July 12, 2048 to, but not including, July 12, 2083, 6.041%, in each case to be reset on each Interest Reset Date.

The 2083 Hybrid Notes are automatically convertible into the Series 2023-A Conversion Preference Shares in certain circumstances. The 2083 Hybrid Notes, including accrued and unpaid interest thereon, will be converted automatically, without consent of the holders thereof, into Series 2023-A Conversion Preference Shares upon the occurrence of certain bankruptcy and related events.

The Company may, at its option, redeem the 2083 Hybrid Notes, in whole or in part from time to time, at the prices set forth in the applicable indenture on the dates specified in the applicable indenture. In addition, the holders of the 2083 Hybrid Notes have the right to require the Company to repurchase the 2083 Hybrid Notes at the purchase prices set forth in the applicable indentures in the event of a change in control triggering event, being both a change of control of the Company or a ratings decline of the applicable notes to below an investment grade rating, as such terms are defined in the applicable indenture.

For more information about the Series 2023-A Conversion Preference Shares please refer to the "Description of Capital Structure – Share Capital" section in this AIF.

DIVIDENDS

The Company is currently paying quarterly dividends to Shareholders. The Company's intention is to provide Shareholders with a secure and growing quarterly dividend, while retaining a portion of cash flow to fund ongoing growth projects. The payment of dividends is not guaranteed and the amount and timing of any dividends payable will be at the discretion of the Board and will be established on the basis of the Company's earnings, operations, financial requirements including funding its growth capital programs, the satisfaction of solvency tests, compliance with the Company's debt agreements and indentures for the declaration and payment of dividends and the satisfaction of regulatory capital requirements. See "Risk Factors".

Dividend History

The following table sets forth the dividend history of the Company for each of the three most recently completed financial years:

Payment Date	Per Common Share Cash Dividends
January 15, 2021	$0.34
April 16, 2021	$0.35
July 16, 2021	$0.35
October 15, 2021	$0.35
January 17, 2022	$0.35
April 14, 2022	$0.37
July 15, 2022	$0.37
October 17, 2022	$0.37
January 17, 2023	$0.37
April 17, 2023	$0.39
July 17, 2023	$0.39
October 17, 2023	$0.39
January 17, 2024	$0.39

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares trade on the TSX under the ticker symbol "GEI". The following table sets forth the Common Share monthly high and low trading price, the monthly closing price and volume for the Common Shares on the TSX for the periods indicated.

	Monthly			
Calendar Period	**High**	**Low**	**Close**	**Volume**
2023				
January	$25.33	$22.78	$23.83	12,216,463
February	$24.10	$22.76	$22.93	8,558,503
March	$23.90	$21.03	$21.60	21,115,910
April	$23.06	$21.50	$22.99	15,753,758
May	$23.39	$20.97	$21.91	13,156,316
June	$22.70	$20.49	$20.83	24,020,358
July	$21.53	$20.10	$21.47	17,750,739
August	$21.05	$19.29	$20.32	18,341,006
September	$21.02	$19.13	$19.43	21,162,284
October	$21.28	$18.45	$21.07	21,345,750
November	$21.13	$20.29	$20.48	12,449,645
December	$20.89	$19.42	$20.13	15,564,776

The Subscription Receipts were listed on the TSX under the ticker symbol "GEI.R" from June 22, 2023, to August 1, 2023. The following table sets forth the Subscription Receipts monthly high and low trading price, the monthly closing price and trading volumes for the Subscription Receipts on the TSX for the periods indicated.

	Monthly			
Calendar Period	**High**	**Low**	**Close**	**Volume**
2023				
June 22 – June 30	$21.06	$19.97	$21.06	2,094,528
July	$21.99	$20.37	$21.74	470,325
August 1	$21.28	$20.37	$20.77	65,500

CREDIT RATING

The following information relating to the Company's credit ratings is provided as it relates to the Company's financing costs, liquidity and operations. Specifically, credit ratings can affect the Company's ability to obtain short-term and long-term financing and the cost of such financing. Additionally, the ability of the Company to engage in certain collateralized business activities on a cost of effective basis depends, in part, upon the Company's credit ratings. Negative changes in credit ratings may affect the Company's ability to, and the associated costs of: (i) entering into ordinary course derivative or hedging transactions and may require the Company to post additional collateral under certain of its contracts; and (ii) entering into and maintaining ordinary course contracts with customers and suppliers on acceptable terms; and could adversely affect the Company's cost of financing and its access to sources of liquidity and capital. Nevertheless, a statement that a credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

The following table outlines the credit ratings received by the Company:

	Credit Ratings	
	S&P	**DBRS Morningstar**
Issuer Corporate Credit Rating	BBB-	BBB (low)
Long-Term Debt Credit Rating (Notes)	BBB-	BBB (low)
Junior Subordinated Debt (Hybrid Notes)	BB	BB

S&P

S&P reaffirmed the Company's issuer corporate credit rating and long-term debt credit rating at "BBB-" with a "stable" outlook on June 14, 2023. The Hybrid Notes rating was also maintained at "BB".

S&P’s corporate issuer credit ratings are on a rating scale that ranges from "AAA" to "D", which represents the range from highest to lowest quality. Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within the major rating categories. An issuer credit rating of "BBB-" by S&P is considered to be "investment grade" and is within the fourth highest of ten categories and indicates the Company has adequate capacity to meet its financial commitments; however, adverse economic conditions or changing circumstances are more likely to weaken the Company's capacity to meet its financial commitments.

S&P’s long-term debt credit ratings are on a rating scale that ranges from "AAA" to "D", which represents the highest to lowest quality of such securities rated. Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within a particular rating category. A long-term debt credit rating of "BBB-" by S&P is within the fourth highest of ten categories and indicates that the obligation exhibits adequate protection parameters; however, adverse economic conditions or changing circumstances are more likely to weaken the Company's capacity to meet its financial commitments on the obligation. A junior subordinated rating of "BB" by S&P is considered to be "speculative grade" and is within the fifth highest of ten categories and indicates that the Company is less vulnerable in the near term than other lower-rated obligors; however, it faces major ongoing uncertainties or exposure to adverse business, financial and economic conditions, which could lead to the Company's inadequate capacity to meet its financial commitments.

DBRS Morningstar

DBRS Morningstar reaffirmed the Company's issuer rating of "BBB (low)" with a "stable" trend on June 14, 2023. DBRS Morningstar also assigned the same rating and trend to the Company's senior unsecured notes. The Hybrid Notes rating was also confirmed at "BB" with a "stable" trend.

The DBRS Morningstar long-term debt rating scale provides an opinion on the risk of default, meaning the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories, other than "AA" and "D", contain subcategories "(high" or "(low)". The absence of either a "(high)" or"(low)" designation indicates the rating is in the middle of the category. An issuer rating of "BBB (low)" is the fourth highest of ten categories for long-term obligations and indicates the "BB" rating has adequate credit quality. The capacity for the payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events. An issuer rating of "B" is the fifth highest of ten categories for long-term obligations and indicates the BB rating is speculative, non-investment grade credit quality. The capacity for the payment of financial obligations is uncertain and vulnerable to future events.

RISK FACTORS

The following information is a summary of certain risk factors relating to the Company, its business and/or an investment in the Company's securities. The risks have been categorized as risks relating to the Company's business and financial and other risks. Each of these risks could, among other things, have the negative impacts on the Company identified below and could negatively impact the trading price of the Common Shares and investors could lose all or part of their investment in the Common Shares. There can be no assurance that risk management steps taken by the Company will prevent future loss due to the occurrence of any of the events described in the risk factors below or other unforeseen events. Readers are cautioned that this summary of risks may not be exhaustive, as there may be risks that are unknown and other risks that may pose unexpected consequences. Additional risks and uncertainties not currently known to the Company, or that it currently views as immaterial, may also materially and adversely affect its business, financial condition and/or results of operations.

Risks Relating to the Company's Business

Demand for Crude Oil and Petroleum Products

Any sustained decrease in demand for crude oil and petroleum products in the markets the Company serves could result in a significant reduction in the volume of products and services that the Company provides and thereby could significantly reduce cash flow and revenue. Factors that could lead to a decrease in market demand include:

- lower demand for refined products, including asphalt and wellsite fluids, as a result of recession or other adverse economic conditions or due to high prices caused by an increase in the market price of crude oil, which is subject to wide fluctuations in response to changes in global and regional supply over which the Company has no control;
- overall domestic and global economic and market conditions, including inflation and interest rates;
- an increase in fuel economy, whether as a result of a shift by consumers to more fuel-efficient vehicles, technological advances by manufacturers, governmental or regulatory actions or otherwise;
- provincial, state and federal legislation either already in place or that may be introduced in the future, including carbon taxes or equivalents or requiring the inclusion of ethanol and use of biodiesel which may negatively affect the overall demand for crude oil products;
- lower demand by the oil and gas drilling industry for products such as drilling mud additives and for wellsite fluids as a result of legislation regulating hydraulic fracturing;
- the energy transition and global movement towards decarbonization;
- ESG and climate-change related targets and initiatives;
- the increasing desirability, affordability and accessibility of new, low-carbon energy sources;
- local and international government incentives, initiatives, policies and regulations;
- the impact of any pandemic, epidemic or disease outbreak or other international or global event, including any government responses thereto;
- technological advances in the production and longevity of alternative energy sources and electric and battery-powered engines; and
- fluctuations in demand for crude oil, such as those caused by refinery downtime or shutdowns.

The Company cannot predict and does not have control over the impact of future economic and political conditions on the energy and petrochemical industries, which, in turn, could affect the demand for crude oil and petroleum products. As a result of decreased demand, the Company may experience a decrease in the Company's margins and profitability.

Market and Commodity Price Risk

The Company's business includes activities related to product storage, terminalling and hub services. These activities expose the Company to certain risks including that the Company may experience volatility in revenue and impairments related to the book value of stored product, due to the fluctuations in commodity prices. Primarily, the Company enters into contracts to purchase and sell crude oil, NGLs and refined products at floating market prices. The prices of the products that are marketed by the Company are subject to volatility as a result of factors such as seasonal demand changes, extreme weather conditions (including flooding, hurricanes, earthquakes, wind and increased annual levels of rainfall as a result of climate change or otherwise), market inventory levels, general economic conditions, changes in crude oil markets and other factors. The Company manages its risk exposure by balancing purchases and sales when practicable to lock-in margins; however, the Company may have unbalanced purchases and sales. Also, in certain situations, a producer or supplier could fail to deliver contracted volumes or could deliver in excess of contracted volumes, or a purchaser could purchase less than contracted volumes. Any of these actions could cause the Company's purchases and sales to be unbalanced. While the Company attempts to balance its purchases and sales when practicable, if its purchases and sales are unbalanced, the Company will face increased exposure to commodity price risks and could have increased volatility in its operating income and cash flow.

Notwithstanding the Company's management of price and quality risk, marketing margins for commodities can vary and have varied significantly from period to period. This variability could have an adverse effect on the results of the Company.

Since crude oil margins can be earned by capturing spreads between commodity prices, the Company's liquids marketing business is subject to volatility in price differentials. Due to this volatility, the Company's margins and profitability can vary significantly. The Company expects that commodity prices will continue to fluctuate significantly in the future. The Company utilizes financial derivative instruments as part of its overall risk management strategy to assist in managing the exposure to commodity prices, as well as interest rates and foreign exchange risks. The Company manages its exposure to such commodity prices using WTI based futures, options and swaps. These strategies are subject to basis risk between the prices of crude oil streams, WTI, NGL and refined product values and, therefore, may not fully offset future price movements. Furthermore, there is no guarantee that these strategies and other efforts to manage marketing and inventory risks will generate profits or mitigate all the market and inventory risk associated with these activities. The Company's utilization of price risk management strategies may result in the Company forgoing some or all of the benefits that may otherwise be experienced if commodity prices were to increase. In addition, any non-compliance with the Company's trading policies could result in significantly adverse financial effects. To the extent that the Company engages in these kinds of activities, the Company is also subject to credit risks associated with counterparties with whom the Company has contracts. The Company does not trade financial instruments for speculative purposes.

Competition

The Company is subject to competition from other terminals, export facilities, pipelines, refining and marketing operations that operate in the same markets as the Company. The Company's competitors include major integrated oil and gas companies and numerous other independent oil and gas companies, individual producers and operators, some of which are substantially larger than the Company, have greater financial resources and control substantially greater storage capacity than the Company does. The Company also faces competition from other means of transporting, storing and distributing crude oil and petroleum products, including from other export facilities, pipeline systems, terminal operators and integrated refining and marketing companies that own their own terminal facilities and that may be able to supply the Company's customers with the same or comparable services on a more competitive basis, and with their industries in supplying energy, fuel and related products to customers. The Company's customers demand delivery of products on tight time schedules and in a number of geographic markets. If the Company's quality of service declines or it cannot meet the demands of its customers, they may utilize the services of the Company's competitors.

Competitive forces may result in a shortage of development opportunities for infrastructure to produce and transport production. It may also result in an oversupply of crude oil and petroleum products. Each of these factors could have a negative impact on costs and prices and, therefore, the Company's financial results. If the Company is unable to compete with services offered by other midstream enterprises, the Company's cash flow and revenues may be adversely affected.

Pipeline Egress

There are currently pipeline projects at various stages of development and/or regulatory approval that have the potential to impact the Company over the medium to long-term. Over the long-term, the Company could benefit from incremental egress from the completion of work on various pipeline projects under construction, provided there is an increase to crude oil production in Canada. However, in the short-term, or in the long-term if there is no increase to crude oil production in Canada, the availability of additional pipeline egress may impact the Company by reducing the demand for storage if the needs of customers to balance short-term supply and demand fluctuations decrease, or if customers no longer require the same amount of storage due to increased access to pipeline capacity. In addition, certain pipelines currently in operation are facing challenges at various levels of government and the outcome of these challenges and the impact to the Company cannot be determined at this time. Any future pipeline projects are expected to be subject to similar review, the results of which may negatively impact the Company's business, financial condition, results of operations, reputation and cash flows. The nature and scope of these effects cannot be determined at this time.

Contract Renegotiation

Some of the Company's contract-based revenues are generated under contracts with terms which allow the customer to reduce or suspend performance under the contract in specified circumstances, such as the occurrence of a catastrophic event to the Company or the customer's operations. The occurrence of an event which results in a material reduction or suspension of the Company's customer's performance could reduce the Company's profitability.

As these contracts expire, they must be extended and renegotiated or replaced. There is no guarantee that any of the contracts that the Company currently has in place will be renewed at the end of their term or replaced with other contracts. The Company may not be able to extend, renegotiate or replace these contracts when they expire, and the terms of any renegotiated contracts may not be as favorable as the contracts they replace. The Company faces intense competition in its gathering, transportation, terminalling and storage activities. Other providers of crude oil gathering, transportation, terminalling and storage services that are able to supply the Company's customers with those services at a lower price could reduce the Company's ability to extend, renegotiate or replace contracts. Additionally, the Company may incur substantial costs if modifications to the Company's terminals are required in order to attract substitute customers or provide alternative services. If the Company cannot successfully renew significant contracts, must renew them on less favorable terms, or incurs substantial costs in modifying its terminals, the Company's profitability, cash flow and financial position from these arrangements could decline.

Cyber-Attacks or Security Breaches

The Company's business is dependent on digital technologies and information systems to control its facilities and operations. The Company is also dependent on third party service providers to help support and maintain its technology systems. Such systems are subject to a variety of cyber-related risks, including hacking, phishing, cyberattacks, cyber fraud and viruses. Further, the failure of a third party to provide the Company with adequate services may result in disruptions to the Company's technology systems. The Company collects and stores sensitive data while conducting its business, including personal information regarding its employees and confidential business information of its customers, suppliers, investors, and stakeholders, for which it is legally responsible. A security breach of the Company's network or systems, or those of third parties, could have a material adverse impact on any of the technology systems used by the Company and result in, among other things, the improper operation of assets, delays in the delivery or availability of customers' products, contamination or degradation of products, potential releases of hydrocarbon products or the deletion, corruption, disclosure or theft of some or all of the information under the Company's custody or control (including confidential information and trade secrets.) The Company may be held liable for any such outcome. The frequency and sophistication of cyber-attacks continue to increase year-over-year and the Company expects to continue to experience attempts to gain unauthorized access to its information systems. Further, the increased remote access to information technology systems may heighten the threat of a cyber-security breach. The Company has put in place appropriate security measures to prevent unauthorized third-party access but a successful cyber-attack on the Company or third-party vendors could result in a materially adverse effect on the Company's reputation, business, operations or financial results.

As a result of the acquisition of the Gateway Terminal, the Company may be subject to heightened cyber-security risks. The U.S. government has issued public warnings indicating that pipelines and other infrastructure assets might be specific targets of terrorist organizations or "cyber sabotage" events. For example in May 2021, a ransomware attack on a major U.S. refined products pipeline forced the operator to temporarily shut down the pipeline, resulting in disruption of fuel supplies along the East Coast. Potential targets include the Company's terminals databases or operating systems. The occurrence of an attack could cause a substantial decrease in revenues and cash flows, increased costs to respond or other financial loss, significant reporting requirements, damage to Gibson's reputation, increased regulation or litigation or inaccurate information reported from the Company's operations. In the event of such an incident, Gibson may need to retain cybersecurity experts to assist us in stopping, diagnosing, and recovering from the attack. The potential for an attack may subject operations to increased risks and costs, and, depending on their ultimate magnitude, have a material adverse effect on the Corporation's business, results of operations, financial condition, cash flows, and/or business reputation.

Gibson's commitment to enhancing cybersecurity forms a crucial part of its responsibility to protect the organization's data and assets from potential risks. The Company's approach is multi-faceted, involving the use of advanced technology, proactive detection and threat hunting, in response to cyber-attacks. Gibson integrates security into its architecture and operational processes to align with the National Institute of Standards and Technology (NIST) Cybersecurity Framework. The Company's cybersecurity program includes annual assessments, vulnerability and penetration testing, patch management, and network segmentation. To reinforce this strategy, Gibson provides cyber training programs, encompassing both annual and quarterly training sessions, as well as specialized training for personnel with access to operational technology networks and other areas.

The Company has put in place appropriate security measures designed to prevent unauthorized third-party access but a successful cyber-attack on the Company or third-party vendors could result in a materially adverse effect on the Company's reputation, business, operations or financial results.

ESG Targets and Commitments

As a part of the Company's strategic priority to retain its position as a responsible leader in the energy industry, the Company has committed to various ESG targets, including its net zero by 2050 commitment. To achieve this goal, among others, and to respond to changing market demand, the Company may incur additional costs and invest in new technologies and innovation. It is possible that the return on these investments may be less than the Company expects, which may have an adverse effect on the Company's business, financial condition and reputation. Further, to support the Company's ESG goals, the Company transitioned its principal revolving credit facility into a sustainability-linked revolving credit facility in the second quarter of 2021. As a result, the Company's borrowing costs may increase depending on its ability to achieve certain ESG and sustainability targets.

Generally speaking, Gibson's ESG targets depend significantly on the Company's ability to execute its current business strategy, related milestones and schedules, each of which can be impacted by the numerous risks and uncertainties associated with Gibson's business and the industries in which it operates, as outlined in the other risk factors described in this MD&A.

The Company recognizes that its ability to adapt to and succeed in a lower-carbon economy will be compared against its peers. Investors and stakeholders increasingly compare companies based on ESG-related performance, including climate-related performance. Failure by the Company to achieve its ESG targets, or a perception among key stakeholders that ESG targets are insufficient, could adversely affect, among other things, the Company's reputation and ability to attract capital. The continued focus on climate change by investors may lead to higher costs of capital for Gibson as the pressure to reduce emissions increases. The Company's ability to attract capital may also be adversely impacted if financial institutions and investors incorporate sustainability and ESG considerations as a part of their portfolios or adopt restrictive decarbonization policies.

There is also a risk that some or all of the expected benefits and opportunities of achieving the various ESG targets may fail to materialize, may cost more to achieve or may not occur within the anticipated time periods. In addition, there are risks that the actions taken by the Company in implementing targets and ambitions relating to ESG focus areas may have a negative impact on its existing business and operations and increase capital expenditures, which could have a negative impact on the Company's business, financial condition, results of operations and cash flows.

Inflation and Interest Rates

The general rate of inflation impacts the economies and business environments in which the Company operates. If the Company's capital, development, operation or labour costs become subject to significant inflationary pressures over an extended period of time, the Company may not be able to fully offset such higher costs through corresponding increases in commodity prices and the prices charged for services. Further, there can be no assurance that any governmental action to mitigate inflationary cycles will be taken or be effective. In response to sustained, elevated global inflationary pressures, central banks, such as the Bank of Canada and the U.S. Federal Reserve, have increased interest rates and it is uncertain what they may do in the future. Governmental action, such as the imposition of higher interest rates or wage controls, may negatively impact the Company's financial results. In particular, the indebtedness under the Revolving Credit Facility is at variable rates of interest and the 2080 Hybrid Notes and 2083 Hybrid Notes also include a variable rate of interest after an initial term and exposes the Company to interest rate risk. If interest rates increase, the Company's debt service obligations on the variable rate indebtedness would increase, even though the amount borrowed remained the same, and the Company's net income and cash flows would decrease. Continued inflation, any governmental response thereto, or the Company's inability to offset inflationary effects may have a material adverse effect on the Company's business, results of operations, financial condition or value of its share price.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets, as well as increased cybersecurity risks. Uncertainty regarding the duration and ultimate effects of such events may raise global concerns over the potential for major disruptions in oil and natural gas supply and cause economic uncertainty and commodity price volatility. For example, the global economy was greatly affected by the war between Russia and Ukraine. The ongoing conflict and associated sanctions levied against Russia led to sharp increases in, and supply shortages of key commodities. Any additional sanctions or other international action may have a destabilizing effect on commodity prices and global economies more broadly. Specifically, as a major exporter of oil and natural gas, any disruption of supply of oil and natural gas from Russia, as a result of sanctions and associated repercussions, operational disruptions, damage to infrastructure or otherwise, may cause a supply shortage globally and significantly impact commodity prices. Volatility in commodity prices may adversely affect the Company's business, financial condition, and results of operations. For example, maintained elevated or significant increases in commodity prices could materially increase operating costs and decrease profit margins, whereas reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, the Company's services.

The extent and duration of any international conflict or geopolitical tensions or events, including war, military action, terrorism, trade disputes and any related international action cannot be accurately predicted at this time and the effects of such events may magnify the impact of the other risks identified in this MD&A and in the AIF, including those relating to commodity price volatility and global financial conditions. Long-term or unforeseeable impacts, including on the Company, its stakeholders and counterparties on which it relies, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition. The Company may continue to experience materially adverse impacts to its business as a result of such event's global economic impact, even after the conflict has subsided.

Hazards and Operational Risks

The Company's operations are subject to the many hazards inherent in the transportation, storage, processing, treating and distribution of crude oil, NGLs and petroleum products, including:

- adverse weather or sea conditions or extreme events, explosions, fires and accidents, including road, rail and marine accidents;
- damage to the Company's pipelines, storage tanks, terminals and related equipment;
- ruptures, leaks or releases of crude oil or petroleum products into the environment, including spills at terminals and hubs; spills associated with loading and unloading harmful substances;
- vessels capsizing, ground and navigation errors;
- protests, demonstrations or blockades;
- acts of terrorism or vandalism; and
- other accidents or hazards that may occur at or during transport to, or from, commercial or industrial sites.

If any of these events were to occur, the Company could suffer substantial losses because of the resulting impact on the Company's reputation, personal injury or loss of life, severe damage to and destruction of property, equipment, information technology systems, related data and control systems, environmental damage, which may include polluting water, land or air, resulting in regulatory enforcement or curtailment or suspension of the related operations. The consequences of any operational incident at the Company's marine terminal may be exacerbated as a result of the complexities involved in addressing leaks and releases in the ocean or along coastlines. Mechanical malfunctions, faulty measurement or other errors may also result in significant costs or lost revenue.

Capital Project Delivery and Success

The Company has had and will have organic growth projects that require the expenditure of significant amounts of capital. Many of these projects involve numerous regulatory, environmental, commercial, short and long-term weather-related, political and legal uncertainties that will be beyond the Company's control. As these projects are undertaken, required regulatory and other approvals may not be obtained, may be delayed or may be obtained with conditions that materially alter the expected return associated with the underlying projects. Moreover, the Company will incur financing costs during the planning and construction phases of its growth projects, but the operating cash flow the Company expects these projects to generate will not materialize until after the projects are completed. These projects may be completed behind schedule or in excess of budgeted cost, including as a result of inflation or supply chain disruptions. For example, the Company must compete with other companies for the materials and construction services required to complete these projects, and competition for these materials or services could result in significant delays and/or cost overruns. Any such cost overruns, or unanticipated delays in the completion or commercial development of these projects, could reduce the Company's liquidity. The Company may construct facilities or other assets in anticipation of market demand that dissipates during the intervening period between project conception and delivery to market or never materializes. As a result of these uncertainties, the anticipated benefits associated with the Company's capital projects may be lower than expected.

Decommissioning, Abandonment and Reclamation Costs

The Company is responsible for compliance with all applicable laws and regulations regarding the decommissioning, abandonment and reclamation of the Company's facilities and pipelines at the end of their economic life, the costs of which may be substantial. It is not possible to predict these costs with certainty since they will be a function of regulatory requirements and environmental conditions at the time of decommissioning, abandonment and reclamation. The Company may, in the future, be required by applicable laws or regulations to post security or establish and fund one or more decommissioning, abandonment and reclamation reserve funds to provide for payment of future decommissioning, abandonment and reclamation costs, which among other things may impact the Company's ability to execute its business plan and service its debt obligations. In addition, such security or reserves, if established, may not be sufficient to satisfy such future decommissioning, abandonment and reclamation costs and the Company will be responsible for the payment of the balance of such costs. Alberta is currently working on establishing a new security framework which is anticipated to come into effect in 2024.

As of January 2022, there are annual spend requirements for decommissioning, abandonment and reclamation of inactive sites in Alberta which require an amount specified by the regulator to be spent on decommissioning, abandonment and reclamation. Similar requirements were enacted in Saskatchewan in 2023, and require the Company to ensure that inactive sites are actively being addressed and, based on the regulator's assessment of the liability associated with any inactive sites, result in mandatory annual spend requirements. These spend requirements are not currently material; however, any increases thereto, may impact the Company's ability to execute its business plan and service its debt obligations, which may adversely affect the Company's business, financial condition and reputation.

Climate Change - Physical Risks

The Company recognizes that potential climate-related impacts are complex and may impact the Company's entire enterprise, including having physical impacts on the Company's business as a result of an increased likelihood, severity and frequency of extreme weather events, such as drought, severe storms and flooding, caused by climate change. These severe weather events may cause acute and chronic physical impacts on the Company's operations, such as impacts to the safety and reliability of operations, mechanical malfunctions, faulty measurements, and the effects of soil erosion, earth movement and freezing and thawing on pipelines and other infrastructure. Specifically, certain of the Company's operations are subject to slope stability risks that may be exacerbated by accelerated soil erosion. In addition, climate related physical risks can damage the Company's assets, which could result in reduced revenue from reduced capacity or business interruption, or increased costs related to asset repair. Any of these physical climate-related impacts may have a material adverse effect on the Company's business, reputation, financial condition, results of operations, and cash flows. For more information relating to the physical risks as a result of climate change and the potential impact on the Company's business, see "Hazards and Operational Risks".

Climate Change - Transition Risks

The Company recognizes risks related to the transition to a lower-emissions economy as climate change concerns could increase the demand for lower-emissions and alternative energy sources. Changes in customer behavior related to reduced energy consumption could impact the Company's customers and in turn, the demand for the Company's services. Transition to a lower-emissions economy may pose a risk to the Company if it is unable to diversify its operations on pace with such transition. This could in turn, impact business plans, increase the cost of operations, and impact various stakeholder decisions about the Company or increase stakeholder opposition.

Legislative and Regulatory Changes

The Company's industry is highly regulated. There can be no guarantee that laws and other government programs relating to the oil and gas industry, the energy services industry and the transportation industry will not be changed in a manner which directly and adversely affects the Company's business. There can also be no assurance that the laws, regulations or rules governing the Company's customers will not be changed in a manner which adversely affects the Company's customers and, therefore, the Company's business.

In addition, the Company's pipelines and facilities are potentially subject to common carrier and common processor applications and to rate setting by regulatory authorities in the event agreement on fees or tariffs cannot be reached with producers. To the extent that producers believe processing fees or tariffs with respect to pipelines and facilities are too high, they may seek rate relief through regulatory means. If regulations were passed lowering or capping the Company's rates and tariffs, the Company's results of operations and cash flows could be adversely affected.

Petroleum products that the Company stores and transports are sold by the Company's customers for consumption into the public market. Various federal, provincial, state and local agencies have the authority to prescribe specific product quality specifications for commodities sold into the public market. Changes in product quality specifications or blending requirements could reduce the Company's throughput volume, require the Company to incur additional handling costs or require capital expenditures. For instance, different product specifications for different markets impact the fungibility of the products in the Company's system and could require the construction of additional storage. If the Company is unable to recover these costs through increased revenue, the Company's cash flows could be adversely affected. In addition, changes in the quality of the products the Company receives on its petroleum products pipeline system could reduce or eliminate the Company's ability to blend products.

The Company's cross-border activities are subject to additional regulation, including import and export licenses, tariffs, Canadian and U.S. customs and tax issues and toxic substance certifications. Such regulations include the Short Supply Controls of the Export Administration Act, the Canada-United States-Mexico Agreement, the Toxic Substances Control Act and the Canadian Environmental Protection Act, 1999. Violations of these licensing, tariff and tax reporting requirements could result in the imposition of significant administrative, civil and criminal penalties. The Government of Canada has committed to amending the Canadian Environmental Protection Act, including provisions to protect the right of every individual in Canada to a healthy environment and extend various regulatory provision related to toxic substances. If passed, the proposed changes may result in increased costs, operating and permitting requirements.

In addition, local, consumption and income tax laws relating to the Company may be changed in a manner which adversely affects the Company.

Environmental and Health and Safety Regulations

Each of the Company's segments are subject to the risk of incurring substantial costs and liabilities under environmental and health and safety laws and regulations. These costs and liabilities arise under increasingly stringent environmental and health and safety laws, including regulations and governmental enforcement policies and legislation, and as a result of third-party claims for damages to property or persons arising from the Company's operations. Environmental laws and regulations impose, among other things, restrictions, liabilities and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances into the environment. Environmental laws and regulations also require that pipelines, facilities and other properties associated with the Company's operations be constructed, operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Health and safety laws and regulations impose, among other things, requirements designed to ensure the protection of workers and to limit the exposure of persons to certain hazardous substances. In addition, certain types of projects may be required to submit and obtain approval of environmental impact assessments, to obtain and maintain environmental permits and approvals and to implement mitigative measures prior to the implementation of such projects.

Failure to comply with environmental and health and safety laws and regulations, including related permits and approvals, may result in assessment of administrative, civil and criminal penalties, the issuance of regulatory or judicial orders, the imposition of remedial obligations such as clean-up and site restoration requirements, the payment of deposits, liens, the amendment, suspension or revocation of permits and approvals and the potential issuance of injunctions to limit or cease operations. If the Company were unable to recover these costs through increased revenue, the Company's ability to meet its financial obligations could be adversely affected.

Some of the Company's facilities have been used for many years to transport, distribute or store petroleum products. Over time the Company's operations, or operations by the Company's predecessors or third parties not under the Company's control, may have resulted in the disposal or release of hydrocarbons or wastes at or from these properties upon which the facilities are situated along or over pipeline rights-of-way. In addition, some of the Company's facilities are located on or near current or former refining and terminal sites, and there is a risk that contamination is present on those sites or may migrate onto the Company's sites from neighboring sites. The Company may be subject to strict joint and several liability under a number of these environmental laws and regulations for such disposal and releases of hydrocarbons or wastes or the existence of contamination, even in circumstances where such activities or conditions were caused by third parties not under the Company's control or were otherwise lawful at the time they occurred.

Further, the transportation of hazardous materials and/or other substances in the Company's pipelines or by vessel, or rail may result in environmental damage, including accidental releases that may cause death or injuries to humans, damage to third parties and natural resources, and/or result in federal and/or provincial and state civil and/or criminal penalties that could be material to the Company's results of operations and cash flow.

The Company engages in operations which handle hazardous materials. As a result of these and other activities, the Company is subject to a variety of federal, provincial, state, local and foreign laws and regulations relating to the generation, transport, use handling, storage, treatment and exposure to and disposal of these materials, including record keeping, reporting and registration requirements. The Company has incurred and expects to continue to incur expenditures to maintain compliance with environmental laws and regulations. Moreover, some or all of the environmental laws and regulations to which the Company is subject could become more stringent or be more stringently enforced in the future. Failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures or remedial actions.

Certain environmental laws, including the CERCLA and comparable state laws in the U.S., impose joint and several liability, without regard to fault or legality of the operations, on certain categories of persons, including current and prior owners or operators of a facility where there is a release or threatened release of hazardous substances, transporters of hazardous substances and entities that arranged for disposal of the hazardous substances at the site. Under CERCLA, these "responsible persons" may be held jointly and severally liable for the costs of cleaning up the hazardous substances, as well as for damages to natural resources and for the costs of certain health studies, relocation expenses and other response costs.

CERCLA generally exempts "petroleum" from the definition of hazardous substance; however, in the course of the Company's operations, the Company has accepted, handled, transported and/or generated materials that are considered "hazardous substances." Further, hazardous substances or hazardous wastes may have been released at properties owned or leased by the Company now or in the past, or at other locations where these substances or wastes were taken for treatment or disposal. Given the nature of the Company's previously divested environmental services business, it has incurred liabilities under CERCLA or other environmental cleanup laws, at its current or former facilities, adjacent or nearby third-party facilities, or offsite disposal locations. There can be no assurance that the costs associated with future cleanup activities that the Company may be required to conduct or finance will not be material. Additionally, the Company may become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous substances into the environment.

Failure to comply with environmental regulations could have an adverse impact on the Company's reputation and financial condition. There is also risk that the Company could face litigation initiated by third parties relating to climate change or other environmental regulations.

Federal Review of Environmental and Regulatory Processes

The *Impact Assessment Act* came into force in August 2019 and replaced the *Canadian Environmental Assessment Act, 2012*. The *Impact Assessment Act* applies to designated projects listed in the Physical Activities Regulations and physical activities designated by the Minister of Environment and Climate Change Canada on an ad hoc basis. The legislation’s expanded assessment considerations include the environment health, economic, social and gender impacts, as well as considerations related to sustainability and Canada's climate change commitments. The Impact Assessment Act also places greater emphasis on Indigenous knowledge and explicitly states that one of the purposes of the act is to ensure respect for the rights of the Indigenous peoples of Canada recognized and affirmed by section 35 of the Constitution Act, 1982, in the course of impact assessments and decision-making under the legislation. Increased environmental assessment obligations may create risk of increased costs and project delays and may limit the Company's ability to obtain or renew permits efficiently. The Canadian Energy Regulator Act also came into force in August 2019 and replaced the National Energy Board with the Canada Energy Regulator and modified the regulator's role in federal impact assessments.

On May 10, 2022, arising out of a reference from the Government of Alberta, the majority of the Alberta Court of Appeal declared the *Impact Assessment Act* unconstitutional. The decision was appealed to the Supreme Court of Canada, which, on October 13, 2023 in a five to two decision, issued an opinion that the Impact Assessment Act and its Physical Activities Regulations are largely unconstitutional. The majority ruled that sections 81 to 91 were constitutional, however, the balance of the scheme, namely the "designated projects" portion, is beyond the powers of Parliament and therefore unconstitutional. The Government of Canada is currently considering amendments. Increased environmental assessment obligations or uncertainty as to such obligations may create risk of increased costs and project delays and may limit the Company's ability to develop or expand proposed projects efficiently.

The *Fisheries Act* prohibits harmful alteration, disruption or destruction of fish habitat and the prohibition against causing the death of fish by means other than fishing. Compared to previous versions, the current Fisheries Act expands the scope of protection and role of Indigenous groups and interests. The prohibitions against the death of fish, and the harmful alteration, disruption or destruction of fish habitat may result in increased permitting requirements where the Company's operations potentially impact fish or fish habitat. These amendments came into force in August 2019.

The *Canadian Navigable Waters Act* applies to all navigable waters and creates greater oversight for navigable waters and, consistent with the *Fisheries Act*, expands the scope of protection and the role of Indigenous groups and interests. The broader application of the *Canadian Navigable Waters Act* may result in increased permitting requirements where the Company's operations potentially impact navigable waters.

Oil Pollution Act

The OPA of 1990, as amended imposes a variety of regulations on "responsible parties" related to the prevention of oil spills and liability for damages resulting from such spills in U.S. waters. A "responsible party" includes the owner or operator of a facility or vessel or the lessee or permittee of the area in which an offshore facility is located. The OPA assigns liability to each responsible party for oil removal costs and a variety of public and private damages including natural resource damages. Under the OPA, vessels and shore facilities handling, storing, or transporting oil are required to develop and implement oil spill response plans, and vessels greater than 300 tonnes in weight must provide to the U.S. Coast Guard evidence of financial responsibility to cover the costs of cleaning up oil spills from such vessels. The OPA also requires that all newly constructed tank barges engaged in oil transportation in the U.S. be double hulled effective January 1, 2016. In the aftermath of the Deepwater Horizon incident in 2010, Congress has from time to time considered oil spill related legislation that could have the effect of substantially increasing financial responsibility requirements and potential fines and damages for violations and discharges subject to the OPA, and similar legislation. Any such changes in law affecting areas where the Company conducts business could materially affect its operations and may result in increased costs for the Company.

Climate Change Legislation

The extent and magnitude of any adverse impacts of current or additional programs or regulations beyond reasonably foreseeable requirements cannot be reliably or accurately estimated at this time, in part because certain specific legislative and regulatory requirements have not been finalized and uncertainty exists with respect to the additional measures being considered and the time frames for compliance. Consequently, no assurances can be given that the effect of future climate change legislation will not be significant to the Company. There is also risk that the Company could face claims initiated by third parties relating to climate change or climate change legislation. These claims could, among other things, result in litigation targeted against the Company and the oil and gas industry generally, which may, in turn, have an adverse effect on the Company's operations, margins, profitability, reputation and results.

Climate change legislation-related risks are considered by the Company as part of its ongoing risk management processes. The materiality of such risks varies among the business operations of the Company and the jurisdictions in which such operations are conducted. Despite the potential uncertainties and longer time horizon associated with any such risks, the Board and management considers the impacts of climate change legislation over the short-, medium- and long-terms.

In general, climate change legislation imposes, among other things, costs, restrictions, liabilities and obligations in connection with the handling, use, storage and transportation of crude oil and petroleum products. The complexities of changes in environmental regulations make it difficult to predict the potential future impact to the Company. However, compliance with climate change legislation requires significant expenditures and it is likely that such legislation will materially impact the nature of oil and gas operations, including those carried out by the Company and its customers. In addition, changes to such legislation or future legislation may apply to more facilities over time and result in further regulatory requirements that could affect the Company's business, or the business of its customers. At present, it is not possible to predict the impact such legislation will, or new legislation or regulatory programs could, have on the Company's business, operations and/or finances. Future capital expenditures and operating expenses could continue to increase as a result of, among other things, developments in the Company's business, operations, plans and objectives and changes to existing, or implementation of new and more stringent, climate change legislation. Regulatory focus on other air emissions criteria such as VOC emissions, particulate matter and ground level ozone may also impact the oil and gas sector, particularly the midstream component. Failure to comply with climate change legislation may result in, among other things, the imposition of fines, penalties, environmental protection orders, suspension of operations, and could adversely affect the Company's reputation. The costs of complying with climate change legislation are not presently expected to have a material adverse effect on the Company's operations or financial condition, however, the implementation of new climate change legislation, the modification of existing climate change legislation, changes in climate change policy that seek to promote adaptation to climate change which affect the energy industry generally could reduce demand for crude oil and petroleum products and materially impact the Company's current or future business (including, without limitation, increasing costs of compliance) and could have an adverse effect on the Company's operations, margins, profitability and results.

In 2018, the Canadian federal government enacted the GGPPA which established a national carbon-pricing regime requiring each province to implement a price on carbon of $10 per tonne of CO2e in 2018, escalating by $10 each year, to an ultimate carbon price of $50 per tonne of CO2e in 2022. This regime (the "Federal Backstop") allows provinces some flexibility in structuring their carbon price regimes with cap and trade, carbon tax or output-based pricing systems, all being acceptable methods for implementing such carbon pricing. To the extent each province implements a carbon pricing system that meets the stringency requirements of the GGPPA, the GGPPA will not apply. However, if such a provincial pricing system is not implemented, or does not meet the stringency requirements of the GGPPA, the GGOOA will apply in that jurisdiction to the extent of such deficiency (the "Federal Backstop"). As of January 2024, the Federal Backstop applies in full to Manitoba, Nunavut, and Yukon, while the Federal Backstop applies in part to Alberta, Ontario and Saskatchewan. These provincial programs are expected to continue to be deemed to meet the stringency requirement of the GGPPA.

In December 2020, the Canadian federal government released its plan to accelerate climate action in Canada, titled "A Healthy Environment and a Healthy Economy". The plan proposes an increasing cost on carbon to $170 per tonne in 2030. To reach that level, the price imposed on carbon will increase from the 2022 rate of $50 per tonne by $15 per tonne each year. Accordingly, the federal carbon price in 2024 will be $80 per tonne. In March 2022, the Canadian Government introduced Canada's 2030 Emissions Reduction Plan: Canada's Next Steps for Clean Air and a Strong Economy which calls for the reduction of oil and gas emissions by at least 75% by 2030 and developing an approach to cap emissions to achieve net-zero by 2050.

In line with Canada's Emissions Reduction Plan, on December 7, 2023, the Canadian federal government announced that it intends to implement a national emissions cap-and-trade-system through regulations to be made under the Canadian Environmental Protections Act. This system, to be phased in between 2026 and 2030, will enable the regulator to issue a quantity of emission allowances that set the emissions cap for regulated entities. It is currently proposed that the 2030 emissions cap will be set at 35% to 38% below 2019 emission levels. This system will also permit some compliance flexibilities that allow emissions to exceed the emissions cap up to a legal upper bound, proposed to be set at 20% to 23% below 2019 emission levels for 2030. Emissions allowances and other types of compliance instruments can be bought and sold on an emissions trading market. Specific activities that may covered by the regulations include: (i) bitumen and crude oil production; (ii) surface mining of oil sands and extraction of bitumen; (iii) upgrading of bitumen or heavy oil; (iv) production and processing of natural gas and production of natural gas liquids; and (v) production of liquified natural gas. The federal government will regularly review the emissions cap, emissions trading market, and flexibility with respect to compliance obligations to ensure the proposal aligns with the goal of achieving net-zero emissions in the oil and gas sector by 2050. If this proposal is made into law, it will likely have a significant impact on Canadian industry participants and the Company. Draft regulations are expected to be released in mid-2024.

If these proposals are made into law, it will have a significant impact on Canadian industry participants, consumers and the Company alike.

Alberta

Prior to 2020, the Federal Backstop did not apply in Alberta as Alberta's *Carbon Competitiveness Incentive Regulation* applicable to large emitters, paired with the *Climate Leadership Regulation* which implemented a province-wide carbon tax, met the stringency requirements of the Federal Backstop.

In 2019, the Alberta UCP government made several legislative changes including repealing the Climate Leadership Regulation, thereby eliminating Alberta's carbon tax and replacing the Climate Leadership Regulation with the TIER System.

TIER became effective on January 1, 2020 and requires large emitters (facilities that emit 100,000 tonnes or more of CO2e in 2016 or any subsequent year or import more than 10,000 tonnes of hydrogen, or that are otherwise eligible to opt-in to the TIER regime) to reduce their emissions intensity to the lesser of: (i) 10% (incrementally increased by 1% annually) below such facility's historical production-weighted average emissions intensity; or (ii) any high performance benchmarks prescribed by TIER applicable to the production of such facility.

Facilities regulated under TIER have a number of compliance options including physical abatement of emissions, use of emission performance credits, use of emission offsets, the purchase of TIER fund credits, or a combination of the foregoing. Persons responsible for such regulated facilities must file annual compliance reports with the government demonstrating their compliance with TIER's emission intensity reduction requirements and such facilities emitting 1 megatonne (Mt) or more CO2e will have an additional requirement to file forecasts of anticipated emissions for the following year.

The Alberta government has raised the price of TIER fund credits for 2023 to $65 per tonne of CO2e in an effort to satisfy the stringent requirements of the Federal Backstop. It is expected that the price of the TIER fund credits will be $80 per tonne of CO2e in 2024 However, Alberta's repeal of the provincial carbon tax has resulted in the province's overall carbon pricing regime not meeting the stringency requirements of the Federal Backstop. This resulted in Alberta being added as a "listed province" under the GGPPA such that the federal fuel charge will be levied on fossil fuels imported into or otherwise consumed within Alberta, other than in respect of TIER-regulated facilities.

While none of the Company's operating facilities in Alberta are considered large emitters under TIER, the Company has voluntarily submitted to TIER regulation in respect of several of its facilities via an "aggregate facility" designation available under TIER. Certain conventional oil and gas facilities which do not satisfy the large emitter criteria under TIER can be aggregated together and be treated as if they were a single aggregate facility. Accordingly, the Company is required to reduce its emission intensity in respect of such aggregate facility in accordance with TIER, but in doing so, has avoided the application of the fuel charge pursuant to the Federal Backstop, in respect of fuels used by such aggregate facility.

Recent amendments to TIER that take effect for the 2023 compliance period (and all subsequent compliance periods) created two new instruments under the TIER regulation: sequestration credits and capture recognition tonnes. Sequestration credits are designed to be recognized under the federal government's Clean Fuel Regulations and expire five years after their creation. Capture recognition tonnes function similar to an on-site reduction and allow emitters to reduce sequestered emissions from total regulated emissions at carbon capture sites. Sequestration credits, if produced in 2023 or a subsequent year and the carbon dioxide that was sequestered for the associated emission offset was captured at the project site, can be irreversibly converted into a capture recognition tonne.

Saskatchewan

Like Alberta, Saskatchewan has implemented an output-based pricing system applicable to large emitters pursuant to The MRGGA and related regulations including the regulations enacted thereunder. Effective January 1, 2023, the federal government deemed this program to meet the stringency requirement set out in the GGPPA, and thus the Federal Backstop no longer applies in full in Saskatchewan.

Large emitters under the MRGGR are facilities in certain sectors that emit 25,000 or more tonnes of CO2e per year, and those that emit 10,000 tonnes of CO2e per year and who opt-in to the MRGGR. Annual emission intensity reduction requirements are specific to the product produced by the applicable regulated facility and increase in stringency over time in prescribed increments. Like Alberta's TIER, persons responsible for such regulated facilities must file annual compliance reports demonstrating their compliance. Compliance options include physical abatement of emissions, using emission offsets, using emission performance credits, purchasing technology fund credits, or a combination of the foregoing.

Saskatchewan has historically opposed implementation of a carbon tax and the output-based pricing system contemplated by the MRGGR does not apply to certain industrial sectors. However, since January 1, 2023, the Saskatchewan Output-Based Performance Standards program, applies in respect of electricity generating facilities and natural gas transmission pipelines.

While none of the Company's Saskatchewan facilities are considered large emitters under the MRGGR, it has elected to "opt-in" to the MRGGR in respect of its Moose Jaw Facility. Accordingly, the Company has been required to reduce its emission intensity in respect of such facility in accordance with the MRGGR and, in doing so, has avoided the application of the fuel charge pursuant to the Federal Backstop in respect of fuels used by such facility.

U.S. Regulation

The United States Government has, over the past 20 years, introduced various forms of legislation, regulation and standards around evolving environmental issues and concerns, focused primarily on GHG emissions and efforts to reduce such emissions going forward. For instance, the U.S. Energy Independence and Security Act of 2007 precludes agencies of the U.S. federal government from procuring mobility-related fuels from non-conventional petroleum sources that have lifecycle GHG emissions greater than equivalent conventional fuel. This may have implications for the Company's marketing of some heavy oil and oil sands production in the U.S., but the impact cannot be determined at this time.

In November 2021, the Biden administration released “The Long-Term Strategy of the United States: Pathways to Net-Zero Greenhouse Gas Emissions by 2050,” which establishes a roadmap to net zero emissions in the United States by 2050 through, among other things, improving energy efficiency; decarbonizing energy sources via electricity, hydrogen, and sustainable biofuels; and reducing non-carbon dioxide GHG emissions, such as methane and nitrous oxide. In connection with this strategy, on December 2, 2023, the USEPA published a final rule that endeavors to sharply reduce methane and other air pollution from both new and existing sources in the oil and natural gas industry. The final rule expands and strengthens emissions reduction requirements for new, modified, and reconstructed oil and natural gas sources, and would require states to reduce methane emissions from hundreds of thousands of existing sources nationwide for the first time and require additional reporting, inspection, and monitoring protocols for methane detection.

In addition, legislation such as the bipartisan Infrastructure Investment and Jobs Act, the Inflation Reduction Act and the Climate Leadership and Environmental Action for our Nation's Future Act, continue to layer on additional legal and regulatory requirements that the Company needs to consider and integrate into its operating model. For example, the Inflation Reduction Act, which was signed into law in August 2022, appropriates significant funding for renewable energy initiatives and imposes a fee on greenhouse gas emissions from certain facilities. The emissions fee and funding provisions of the law could increase operating costs within the oil and gas industry and accelerate transitions away from fossil fuels, which could adversely affect our business and results of operations. In January 2024, USEPA issued a proposed rule to implement the emissions charge with a proposed effective date in 2025 for reporting year 2024 emissions.

In general, climate change legislation imposes, among other things, costs, restrictions, liabilities and obligations in connection with the handling, use, storage and transportation of crude oil and petroleum products. The complexities of changes in environmental regulations make it difficult to predict the potential future impact to the Company. However, compliance with climate change legislation requires significant expenditures and it is likely that such legislation will materially impact the nature of oil and gas operations, including those carried out by the Company and its customers. In addition, changes to such legislation or future legislation may apply to more facilities over time and result in further regulatory requirements that could affect the Company's business, or the business of its customers. At present, it is not possible to predict the impact such legislation will, or new legislation or regulatory programs could, have on the Company's business, operations and/or finances. Future capital expenditures and operating expenses could continue to increase as a result of, among other things, developments in the Company's business, operations, plans and objectives and changes to existing, or implementation of new and more stringent, climate change legislation. Regulatory focus on other air emissions criteria such as VOC emissions, particulate matter and ground level ozone may also impact the oil and gas sector, particularly the midstream component.

Failure to comply with climate change legislation may result in, among other things, the imposition of fines, penalties, environmental protection orders, suspension of operations, and could adversely affect the Company's reputation. The costs of complying with climate change legislation are not presently expected to have a material adverse effect on the Company's operations or financial condition, however, the implementation of new climate change legislation, the modification of existing climate change legislation, changes in climate change policy that seek to promote adaptation to climate change which affect the energy industry generally could reduce demand for crude oil and petroleum products and materially impact the Company's current or future business (including, without limitation, increasing costs of compliance) and could have an adverse effect on the Company's operations, margins, profitability and results.

Current and Emerging Climate Change Regulations

Compliance with climate change legislation generally requires significant expenditures and could potentially impact the nature of oil and gas operations, including those of the Company's customers. The increased costs of compliance associated with emerging regulations may also have a direct material impact on the Company's business and financial position. As regulations, including the emerging regulations identified below, change, they may affect the future demand of oil and refined products and, as a result, the ultimate impact and lasting effects on the Company's business, operations and financial condition, and on the energy industry as a whole, are highly uncertain.

Reduction of Greenhouse Gas Emissions

On July 12, 2021, the federal government formally submitted Canada's enhanced NDC to the United Nations, committing Canada to cut its GHG emissions by 40-45 percent below 2005 levels by 2030. Canada's NDC submission outlines a series of investments, regulations and measures that the country is taking in pursuit of its ambitious target. It includes input from provincial, territorial and Indigenous partners.

Methane Regulations

One source of GHG emissions is methane. The federal government established methane reduction regulations in 2018 to achieve a reduction target of 40% to 45% below 2012 levels by 2025. Certain provinces, such as Saskatchewan, Alberta and British Columbia have implemented provincial methane regulations that are deemed to be equivalent with the federal requirements. Alberta reached the 45% reduction target of methane emissions in 2022.

In 2021, the federal government announced that it would seek to reduce methane emissions from the oil and gas sector by at least 75% below 2012 levels by 2030. This amendment was formally proposed in December 2023 through the Regulations amending the Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)

The proposed regulatory amendments relate to venting, flaring, hydrocarbon gas destruction equipment and fugitive emissions, and would come into force between 2027 and 2030. Finalized amendments to the Methane Regulation are expected in late 2024.

Clean Fuel Regulations

The Clean Fuel Regulations, which came into force in June 2022. The aim of this regulation is: (i) to lower the GHG emissions from various liquid fossil fuels by requiring producers or importers of gasoline, diesel, kerosene, and light and heavy fuel oils ("primary suppliers") to lower the carbon intensity of such fuels; and (ii) provide a framework for primary suppliers and those who voluntarily participate in the compliance credit market to create and trade credits to the extent they avoid lifecycle emissions of such fuels.

Notwithstanding that compliance requirements only apply to liquid fuels, the Clean Fuel Regulations provide a framework for credit creation applicable to gaseous fuels as well. The regulation sets a baseline carbon intensity for each type of liquid fossil fuel, against which the primary suppliers must make annual carbon intensity reductions. Starting in 2022, each primary supplier must reduce the carbon intensity by the prescribed amount. In 2024, that amount is 90.0 gCO2e/MJ for gasoline fuels and 88.0 gCO2e/MJ for diesel fuels.

Changes in Tax Legislation and Exposure to Additional Tax Liabilities

The Company is subject to taxes in Canada and the U.S. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change that could cause the Company's effective tax rate to increase. Tax laws may be amended (and/or their interpretation may change), retroactively or prospectively, resulting in tax consequences that materially differ from those currently contemplated by the Company in the jurisdictions in which the Company has operations or sales, which may create a risk of increased taxes.

The Company is subject to the examination of its tax returns and other tax matters by tax authorities. While the Company believes that its tax filing positions are appropriate and supportable, it is possible that tax authorities may successfully challenge the Company's interpretation of tax legislation which may result in non-compliance or re-assessment, or affect the Company's estimate of current and future income taxes and, have an adverse effect on the financial condition and prospects of the Company and the distributable cash flow available to pay dividends to the Company's Shareholders.

The Minister of Finance has released tax proposals (the "EIFEL Proposals") that are intended, where applicable, to limit the deductibility of interest and financing expenses of a Canadian resident corporation or trust to a fixed ratio of tax EBITDA (as calculated in accordance with the EIFEL Proposals). If the EIFEL Proposals are enacted as proposed and if such proposals apply to the Company and its subsidiaries, the amount of interest and other financing expenses otherwise deductible by the Company and its subsidiaries may be reduced and as a result additional taxes may become payable. The EIFEL Proposals are expected to apply to the Company and its subsidiaries for their taxation years commencing on January 1, 2024.

The Minister of Finance has also introduced a new tax on share buybacks by public corporations in Canada. Under the proposal, which would come into force on January 1, 2024, a two percent corporate-level tax would generally apply for each taxation year of the Company on the fair value of shares that are redeemed, acquired or cancelled in excess of permitted issuances of shares. The new tax may have an adverse impact on the Company on any future share buybacks.

Capital Markets and Availability of Future Financing

The future development of the Company's business may be dependent on its ability to obtain additional capital including, but not limited to, debt and equity financing. Disruptions in international credit markets and other financial systems and a deterioration of global economic conditions, may cause significant volatility in commodity prices and interest rates at which the Company is able to borrow funds for capital programs. Uncertainty in the global economic situation, including ESG factors, could mean that the

Company, along with other oil and gas entities, may face restricted access to capital and increased borrowing costs. Specifically, changing investor priorities and trends, including as a result of climate change, ESG initiatives, the adoption of decarbonization policies and the general stigmatization of the oil and gas industry may limit the Company's ability to attract and access capital. This could have an adverse effect on the Company, the cost of capital could increase and future capital expenditures may need to be financed out of cash generated from operations and borrowings, and the Company's ability to borrow is dependent on, among other factors, the overall state of the capital markets and investor appetite for investments in the energy industry generally and the Company's securities. The Company's ability to obtain additional capital is dependent on, among other things, investor interest in investments in the energy industry in general and investor interest in its securities. See also "ESG Targets and Commitments".

To the extent that external sources of capital become limited or unavailable, or available on onerous terms, the Company's ability to make capital investments and maintain existing properties may be impaired, and the business, its financial condition, results of operations and cash flow may be materially adversely affected as a result.

Reputation

The Company relies on its reputation to build and maintain positive relationships with its stakeholders, to recruit and retain staff, and to be a credible, trusted company. Reputational risk is the potential for negative impacts that could result from the deterioration of the Company's reputation with key stakeholders. The potential for harming the Company's corporate reputation exists in every business decision and public interaction, which in turn can negatively impact the Company's business and its securities. Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, liquidity, regulatory, environmental and legal risks must all be managed effectively to safeguard the Company's reputation.

With increasing public focus on climate change and GHG emissions, the reputation of oil and gas companies generally may become increasingly unfavorable. There are added social pressures which demand governments and companies work to mitigate the risks associated with climate change, decrease GHG emissions and move towards decarbonization. Specifically, there is a reputational risk in connection with the Company's ability to meet increasing climate reporting and emission reduction expectations from the Company's key stakeholders. While the Company's reputation may be generally negatively impacted in connection with the stigmatization of the energy industry, the Company has been actively preparing and adapting to manage and respond to investors' increasing expectations by proactively setting voluntary GHG and emissions reduction targets, investing in energy efficiency and emissions reduction projects, integrating ESG across the business and tying the Company's borrowing costs and employee compensation to the Company's ESG performance.

Negative impacts from a compromised reputation for any reason could include revenue loss, reduction in customer base and diminution of share price.

Jointly Owned Facilities

Certain of the Company's facilities are jointly owned with third parties. Approvals must be obtained from such joint owners for proposals to make capital expenditures regarding such facilities. These approvals typically require that a capital expenditure proposal be approved by the owners holding a specified percentage of the ownership interests in the relevant facility. It may not be possible for the Company to obtain the required levels of approval from co-owners of facilities for future proposals for capital expenditures to expand or improve its jointly owned facilities. In addition, agreements for joint ownership often contain restrictions on transfer of an interest in a facility. The most frequent restrictions require a transferor who is proposing to transfer an interest to offer such interest to the other holders of interests in the facility prior to completing the transfer. Such provisions may restrict the Company's ability to transfer its interests in facilities or to acquire partners' interests in facilities and may also restrict the Company's ability to maximize the value of a sale of its interest. Further, should a joint owner become insolvent, the Company may be directed by regulators to assume the joint owner's obligations and may face operational challenges during any insolvency proceedings resulting in additional costs.

As part of the Company's effort to minimize these risks, the Company maintains communication with its co-owners through participation in operating committees and formal decision-making processes. The Company also utilizes its knowledge of industry activity and relationships with other owners to mitigate the risk of uncooperative behavior. However, there is no guarantee that the Company will be able to proceed with its plans for any facilities which are jointly owned.

Major Customers and Collection Risk

The Company relies upon certain key customers and suppliers in each of its business segments and upon agreements with key customers to underpin various capital projects. There can be no assurance that the Company’s current customers will continue their relationships with the Company, or that the Company has adequately assessed their creditworthiness, or that there will not be an unanticipated deterioration in their creditworthiness. Customers may seek relief from their contractual obligations or seek to restructure their current contracts. In such an event, the Company's revenue could be reduced or capital projects suspended. The loss of one or more major customers or any material nonpayment or non-performance by such customer, or any significant decrease in services provided to a customer, prices paid, or any other changes to the terms of service with customers, could have a material adverse effect on the Company's profitability, cash flow and financial position.

Possible Failure to Realize the Anticipated Benefits of the Gateway Terminal Acquisition

The Company expects to realize certain benefits from the acquisition of the Gateway Terminal, however, there is a risk that some or all of the expected benefits may fail to materialize or may not occur within the time periods that the Company anticipated. Achieving the benefits of the Gateway Terminal acquisition depends on numerous factors, including the Company's ability to maximize potential growth opportunities and operational synergies. A variety of factors, including those risk factors set forth herein, may adversely affect the ability to achieve the anticipated benefits of the Gateway Terminal acquisition. There can be no assurance that the expected benefits of the Gateway Terminal acquisition will be realized.

Unexpected Liabilities Related to the Acquisition of the Gateway Terminal

In connection with the acquisition of the Gateway Terminal, there may be liabilities associated with such business that the Company failed to discover or was unable to quantify in the due diligence which it conducted in connection with the acquisition and the Company may not be indemnified for some or all of these liabilities.

Although the Company conducted what it believes to be a prudent and thorough level of investigation with respect to the acquisition of the Gateway Terminal, a certain degree of risk remains regarding the accuracy and completeness of information provided by the sellers during the course of the Company's evaluation of the acquisition or thereafter. While the Company has no reason to believe the information obtained from the sellers is misleading, untrue or incomplete, the Company cannot assure the accuracy or completeness of such information, nor can the Company compel the sellers to disclose events which may have occurred or may affect the completeness or accuracy of such information, but which are unknown to the Company.

In connection with the acquisition of the Gateway Terminal, the Company obtained a representation and warranty insurance policy package with combined coverage limits of up to $110.0 million. Such representation and warranty insurance policy is subject to certain exclusions and limitations. In addition, there may be circumstances for which the insurer may elect to limit such coverage or refuse to indemnify the Company or situations for which the coverage provided under the representation and warranty insurance policy may not be sufficient or applicable.

The discovery, existence or quantification of any such liabilities and the Company's inability to claim indemnification from the sellers or the provider of the representation and warranty insurance policy could have a material adverse effect on the Company's business, financial condition or future prospects.

Financial and Operational Forecasts and Projections

The Company's financial and operational forecasts, including in connection with the acquisition of the Gateway Terminal, are based on a number of assumptions, many of which are outside of Gibson's control, and, if the underlying assumptions prove to be inaccurate, the Company's actual financial and operational results may be different from the forecasts and such differences may be material. Such assumptions are further subject, to a significant degree, to future business decisions, some of which may change, and that could further cause Gibson's actual results to differ materially from those forecasted. Accordingly, Gibson's forecasts and projections are only an estimate of what Gibson's management believes to be realizable. Although Gibson considers the assumptions and estimates underlying the forecasts to be reasonable as of the date of thereof, those assumptions and estimates are inherently uncertain and subject to significant business, economic, financial, regulatory, technological and competitive risks and uncertainties, many of which are beyond the Company's control and if such assumptions prove to be inaccurate, actual results may differ materially from forecasts.

Insurance

The Company currently maintains customary insurance of the types and amounts consistent with prudent industry practice. However, the Company is not fully insured against all risks incidental to the Company's business. The Company is not obliged to maintain any such insurance if it is not available on commercially reasonable terms. There can be no guarantee that such insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates or that the amounts for which the Company is insured, or the proceeds of such insurance, will compensate the Company fully for the Company's losses. Insurance providers are adjusting to the risks that climate change poses and as a result, the Company's ability to secure necessary or prudent insurance coverage may also be adversely affected in the event that the Company's insurers adopt more restrictive ESG or decarbonization policies. As a result of these policies, premiums and deductibles for some or all of the Company's insurance policies could increase substantially. In some instances, coverage may be reduced or become unavailable. As a result, the Company may not be able to renew the Company's existing policies, or procure other desirable insurance coverage, either on commercially reasonable terms, or at all.

In addition, the insurance coverage obtained with respect to the Company's business and facilities will be subject to limits and exclusions or limitations on coverage that are considered by management to be reasonable, given the cost of procuring insurance and current operating conditions. There can be no assurance that the insurance proceeds received by the Company in respect of a claim will be sufficient in any particular situation to fully compensate the Company for losses and liabilities suffered. If a significant accident or event occurs that is not fully insured, it could adversely affect the Company's results of operations, financial position or cash flows.

Supply Chain Risk

Ongoing supply chain disruptions and resulting shortages, including as a result of labor actions, geopolitical conflicts or otherwise may hinder the Company's ability to execute projects in a timely manner and may increase the Company's development, operating and construction costs. Any such cost overruns, or unanticipated delays in the completion or commercial development of the Company's projects or disruptions to the Company's operations as a result of supply chain constraints may have a material adverse effect on the Company's profitability, cash flow and financial position.

Pandemic Risk

Pandemics, epidemics or disease outbreaks, such as the COVID-19 pandemic, may adversely affect local and global economies, as well as the Company's business, operations and financial results. There can be no certainty regarding the long-term efficacy of any vaccines and the effectiveness of government interventions against the spread of pandemics, epidemics or disease outbreaks in the future. Accordingly, any resurgence or emergence of new widespread diseases may have a negative impact on the Company's business or the broader economy.

Governments will continue to closely monitor the spread viruses, their variants and other diseases, which may lead to the reintroduction of restrictive measures to counter any such spread. Accordingly, the

Company's financial and/or operating performance could be materially adversely impacted by way of suspensions, delays or cancellations of the Company's projects, either by its customers or due to broader government directives, slowdowns or stoppages in the performance of projects due to labor shortages, union action and/or high levels of absenteeism, supply chain disruptions and corresponding shortages, increased collection risk from customers, volatility in capital markets, inflation and decreases in customer demand as a result of the impacts of government imposed restrictions, including reduced prices of and global demand for petroleum products caused by travel restrictions and other shut-downs. For a discussion of the risks associated with decreases in the prices of and demand for crude oil and petroleum products, see "Market and Commodity Price Risk" and "Demand for Crude Oil and Petroleum Products".

The partial or complete shut-down of workplaces, employees working remotely, and the implementation of enhanced health and safety measures in workplaces may reduce the efficiency and increase the costs of operations and may adversely affect the Company's margins, profitability and results. Further, the increased remote access to information technology systems may heighten the threat of a cyber-security breach. The Company may continue to experience materially adverse impacts to the Company's business as a result of the pandemic's global economic impact. The long-term impacts of pandemics, epidemics or disease outbreaks, including the COVID-19 pandemic, may also increase exposure to, and magnitude of, each of the risks identified in the "Risk Factors" section of this MD&A and the AIF and the risk factors described in other documents the Company files from time to time with Canadian securities regulatory authorities, available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.gibsonenergy.com.

Regulatory Approvals

The Company's operations require it to obtain approvals from various regulatory authorities and there are no guarantees that it will be able to obtain all necessary licenses, permits and other approvals that may be required to conduct its business. In addition, obtaining certain approvals from regulatory authorities can involve, among other things, stakeholder and Indigenous consultation, environmental impact assessments and public hearings. Regulatory approvals obtained may be subject to the satisfaction of certain conditions, including, but not limited to: security deposit obligations, ongoing regulatory oversight of projects, mitigating or avoiding project impacts, habitat assessments and other commitments or obligations. Failure to obtain applicable regulatory approvals or satisfy any of the conditions thereto on a timely basis on satisfactory terms could result in delays, abandonment or restructuring of projects and increased costs.

Decommissioning, Abandonment and Reclamation Costs

The Company is responsible for compliance with all applicable laws and regulations regarding the decommissioning, abandonment and reclamation of the Company's facilities and pipelines at the end of their economic life, the costs of which may be substantial. It is not possible to predict these costs with certainty since they will be a function of regulatory requirements and environmental conditions at the time of decommissioning, abandonment and reclamation. The Company may, in the future, be required by applicable laws or regulations to post security or establish and fund one or more decommissioning, abandonment and reclamation reserve funds to provide for payment of future decommissioning, abandonment and reclamation costs, which among other things may impact the Company's ability to execute its business plan and service its debt obligations. In addition, such security or reserves, if established, may not be sufficient to satisfy such future decommissioning, abandonment and reclamation costs and the Company will be responsible for the payment of the balance of such costs. Alberta is currently working on establishing a new security framework which is anticipated to come into effect in 2024.

As of January 2022, there are annual spend requirements for decommissioning, abandonment and reclamation of inactive sites in Alberta which require an amount specified by the regulator to be spent on decommissioning, abandonment and reclamation. Similar requirements were enacted in Saskatchewan in 2023, and require the Company to ensure that inactive sites are actively being addressed and, based on the regulator's assessment of the liability associated with any inactive sites, result in mandatory annual spend requirements. These spend requirements are not currently material; however, any increases thereto, may impact the Company's ability to execute its business plan and service its debt obligations, which may adversely affect the Company's business, financial condition and reputation.

Accuracy of Climate Scenarios and Assumptions

Gibson's commitment to sustainability leadership is embedded in the Company's culture and how it operates its business. As a result, the Company has ambitious ESG targets to help propel the Company forward to deliver strong and sustainable outcomes across the Company's business. To that end, the Company uses climate-related estimates, including carbon pricing assumptions, market demand projections and certain IEA climate scenarios, in the Company's financial and long-term planning and to evaluate opportunities. Although management believes that the Company's climate-related estimates are reasonable, aligned with current and pending regulations, and informed by the IEA's climate scenarios, they are based on numerous assumptions that, if inaccurate, incomplete or false, may have a material adverse effect on its business. Specifically, climate-related estimates influence the Company's financial planning and investment decisions, including with respect to its current and future products and services, contracts, supply chain, investments in research and development, operations, revenues, direct and indirect costs, capital expenditures and allocation, acquisitions and divestments, and access to capital. Since the Company plans and evaluates opportunities partially on the basis of climate-related estimates, variations between actual outcomes and Gibson's expectations may have a material adverse effect on its business, financial condition, results of operations, reputation and cash flows.

Indigenous Relations

Indigenous peoples in Canada have constitutionally protected rights, and have or asserted Indigenous rights, including Indigenous title, or treaty rights to portions of Western Canada. The Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate Indigenous communities. The scope of the duty to consult by federal and provincial governments is fact dependent but has been broadening in recent years and is expected to continue to increase in the future.

Governments' obligations with respect to Indigenous peoples, including in relation to the duty to consult, is often the subject of ongoing litigation. In a recent decision by the British Columbia Supreme Court, the court found that the province's mechanisms for assessing, taking into account, and managing cumulative effects were lacking and contributed to the breach of its obligations to the Blueberry River First Nation under Treaty 8. Amongst other things, the court declared that the Province of British Columbia could not continue to authorize activities that breach the Treaty, or that unjustifiably infringe Blueberry River First Nation's exercise of its treaty rights. This declaration was suspended for six months to enable the parties to negotiate a path forward which the parties resulted in the signing of an agreement between the Government of British Columbia and Blueberry River First Nation. The Government of British Columbia also reached agreements with certain other Treaty 8 First Nations relating to collaborative land use and resource planning. While this recent decision does not currently impact the Company's operations directly, it is and is expected to contribute to the development of Canadian law and government policy further. Similar cumulative effects litigation has commenced in Alberta, amongst other jurisdictions.

In addition, Canada and certain provincial governments have committed to a renewed relationship with Indigenous peoples. Canada and the Province of British Columbia have enacted legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP") which obliges the government to take steps to align their respective laws with the Declaration, such steps have resulted in and will continue to result in amendments to regulatory approval processes. In British Columbia, the legislation also enables the government to negotiate and enter into joint statutory decision-making agreements or an agreement to seek the prior consent of Indigenous governing bodies before the government exercises its statutory decision-making power. Both the federal and British Columbia governments have respectively released action plans to achieve the objectives of UNDRIP. The action plans reference measures that impact natural resource development in Canada. Any developments in the law from implementing UNDRIP may have a material effect on the Company's business and financial position. This includes risk related to the Company's, or its customers', ability to, or increase the timeline and related costs to, obtain or renew, permits, leases, licenses and other approvals, or to meet the terms and conditions of those approvals.

To mitigate this risk, over the course of 2023, Gibson has focused on incorporating governance structures, policies, principles, and educational supports. These include but are not limited to: the introduction of Gibson's Indigenous Relations Guiding Principles; Indigenous Peoples Policy, Vendor, Procurement and Supply Chain Inclusion Plan; and Indigenous Awareness Training. Each of these integrated elements inform the Company's approach to recognizing and respecting Indigenous rights, committing meaningful engagement and consultation, supporting Indigenous inclusion, and fostering and embedding the principles of Truth and Reconciliation into its culture, decision-making and operational and business practices at all levels of the organization.

Capital Expenditures by Oil and Gas Companies

Declines in capital expenditures to explore, develop and produce oil and natural gas by the Company's oil and gas customers, could result in project modifications, delays or cancellations resulting in production declines or delays in the basins where the Company operates, potentially reducing the Company's cash flow and revenues. Customers' expectations for lower commodity prices, as well as the availability of capital for operating and capital expenditures, may also cause customers to curtail spending, thereby reducing demand for the Company's services.

Industry conditions are influenced by numerous factors, over which the Company has no control, including:

- domestic and worldwide supplies of crude oil and petroleum products;
- changes in the level of consumer demand;
- the price and availability of alternative fuels;
- the availability, proximity and capacity of pipelines, other transportation facilities and processing facilities;
- energy companies' ability to attract or access capital as a result of changing investor priorities and trends, including as a result of climate change, ESG initiatives, the adoption of decarbonization policies and the general stigmatization of the oil and gas industry;
- the level and effect of trading in commodity futures markets, including by commodity price speculators and others;
- the price and level of foreign imports;
- the nature and extent of domestic and foreign governmental regulations and taxes;
- the ability of the members of OPEC and non-members to agree to and maintain oil price and production controls;
- political instability or conflict in oil and natural gas producing regions;
- potential production curtailments implemented by the local or federal governments;
- the potential for implementation of a carbon cap on oil sands;
- the development and advancement of drilling technology, and the ability to use the technology; and
- overall domestic and global economic and market conditions, including inflation and interest rates.

The volatility of the oil and natural gas industry and the impact on exploration and production activity could adversely impact the level of drilling activity by customers in some of the regions in which the Company operates. Any reduction in activity may cause a decline in the demand for the Company's products and services or adversely affect the price of products and services provided and the financial results of operations, particularly if production levels decrease, which would reduce the need for oil infrastructure projects. In addition, reduced discovery rates of new oil and natural gas reserves in the Company's market areas may have a negative long-term impact on the Company's business, even in an environment of stronger oil and natural gas prices, to the extent existing production is not replaced and the number of producing wells is not increased to service production declines.

Production of Crude Oil

Crude oil production may decline for a number of reasons, including natural declines due to depleting wells, a material decrease in the price of crude oil, a lack of takeaway capacity, the risk of existing capacity being temporarily or permanently impaired, or the inability of producers to obtain necessary drilling or other permits from applicable governmental authorities. Further, a sustained decrease in the price of oil and production levels may result in significant headcount reductions as producers try to remain profitable. There is no guarantee that these displaced workers will return to the oil and gas industry which may delay any anticipated production recoveries. If the Company is unable to replace volumes lost due to a temporary or permanent material decrease in production or a decrease in demand for oil, which would reduce the need for supporting infrastructure projects, the Company's revenue and cash flow could decline. In addition, certain of the Company's field and pipeline operating costs and expenses are fixed and do not vary with the volumes the Company gathers and transports. These costs and expenses may not decrease rateably, or at all, should the Company experience a reduction in the Company's volumes gathered or transported by the Company's operations. As a result, the Company may experience declines in its margins and profitability if the volumes decrease.

Federal Air Quality Management System

The Multi-Sector Air Pollutants Regulations ("MAPR"), issued under the *Canadian Environmental Protection Act, 1999*, seeks to protect the environment and health of Canadians by setting mandatory, nationally consistent air pollutant emission standards. The MAPR are aimed at equipment-specific Base-Level Industrial Emissions Requirements ("BLIERs"). Nitrogen oxide BLIERs from the Company's non-utility boilers, heaters and reciprocating engines are regulated in accordance with specified performance standards. The Company does not anticipate a material impact to existing or future operations as a result of the MAPR.

Foreign Operations Risk

The Company is actively involved in operations in the U.S. The Company's reliance on these markets means that it is subject to downturns in the U.S. economy, weather patterns in the U.S., U.S. regulatory changes, protectionist actions by the U.S. government and other political developments, all of which could have an adverse impact on the Company's results.

The current administration was elected on a platform of tackling climate change and may implement domestic and foreign policy that could have a significant impact on Gibson's business, financial condition and/or results of operations; however, any impact is not presently quantifiable. The Company currently faces uncertainty regarding the U.S. government's trade policy and its impact given the Company's significant dependence on global economic conditions and prevailing commodity prices.

Major Customers and Collection Risk

There can be no assurance that the Company's current customers will continue their relationships with the Company, that the Company has adequately assessed their creditworthiness, or that there will not be an unanticipated deterioration in their creditworthiness. The loss of one or more major customers or any material nonpayment or non-performance by such customer, or any significant decrease in services provided to a customer, prices paid, or any other changes to the terms of service with customers, could have a material adverse effect on the Company's profitability, cash flow and financial position.

Technology

The Company's operations, infrastructure, technology and data systems are becoming increasingly integrated, and the Company depends significantly on technology for its operations, including both operating and information technology developed by the Company, or obtained from or provided by third parties. Notwithstanding back-up and redundancy procedures and plans, if, for example, the Company were to lose functionality of certain operating technology, such as a SCADA system (due to loss of back-up power, servers, communication links or control interfaces), because of a cyber-attack or otherwise, terminal and pipeline operations could cease due to loss of leak detection capability and the Company could no longer have the ability to receive, deliver, transfer or blend petroleum due to being unable to control valves and pumps and monitor flow rates and tank levels. The impact of short-term disruptions may be minimal due to the ability to re-schedule the planned activities and use spare capacity; however, disruptions of a longer duration could likely result in a loss of revenue.

The Company relies heavily on information technology, such as computer hardware and software systems, to properly operate its business. In the event the Company is unable to regularly deploy software and hardware, effectively upgrade systems and network infrastructure and take other steps to maintain or improve the efficiency and efficacy of systems, the operation of such systems could be interrupted or result in the loss, corruption, or release of data. In addition, information systems could be damaged or interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, malicious code, physical or electronic security breaches, intentional or inadvertent user misuse or error, or similar events or disruptions. Any of these or other events could cause interruptions, delays, loss of critical and/or sensitive data or similar effects, which could have a material adverse impact on the Company's operations, intellectual property and confidential and proprietary information, business, financial condition, results of operations and cash flow.

In the ordinary course of business, the Company collects, uses, and stores sensitive data, including intellectual property, proprietary business information and personal information of the Company's employees and third parties. Despite the Company's security measures, the Company's operating systems, information systems, other technology and infrastructure may be vulnerable to attacks by hackers and/or cyberterrorists or breaches due to employee error, malfeasance or other disruptions (See "Cyber-Attacks and Security Breaches"). Any such breach could compromise information used or stored on the Company's systems and/or networks and, as a result, the information could be accessed, publicly disclosed, lost, stolen, or used to commit financial fraud against the Company or its stakeholders. Further, the rapid emergence and continuous evolution of generative artificial intelligence tools may exacerbate the Company's technology, information systems and data privacy related risks due to its potential to present false or misleading data or to misuse, misappropriate or infringe the rights of third parties and its potential for user misuse, biased decision-making or unauthorized exposure of the Company's sensitive data. Any such event could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties or other negative consequences, including disruption to the Company's operations and damage to the Company's reputation, which could have a material adverse effect on the Company's business, reputation, financial condition, results of operations and cash flows.

Activism, Terrorism and Disruptions to Operations

Increasing public engagement and activism relating to climate change and Indigenous relations in connection with the energy industry and the continued development of fossil fuels has, from time to time, resulted in temporary disruptions to oil and gas development, operations and transportation. Such opposition has not yet impacted the Company's facilities directly; however, activist groups and individuals may engage in protests, demonstrations or blockades that may cause disruptions to the Company's facilities or operations, or to facilities or operations on which the Company rely. Any such disruptions may have an adverse impact on the Company's business, operations, financial condition or reputation.

Further, terrorist attacks and threats thereof (including cyber-attacks), escalation of military activity or acts of war, or other civil unrest or activism may have significant effects on general economic conditions and could adversely affect the Company's business. Future terrorist attacks, rumors or threats of war, actual conflicts involving the U.S. or Canada, or military or trade disruptions may significantly affect the Company's operations. Strategic targets, such as energy related assets, may be at greater risk of future attacks than other targets in the U.S. and Canada. Any disruption as a result of a terrorist attack or threat thereof on the Company's assets or those on which the Company relies may have an adverse impact on its business, operations, financial condition or reputation.

While the Company has systems, policies and procedures designed to prevent or limit the effects of such disruptive events, there can be no assurance that these measures will be sufficient and that such disruptions will not occur or, if they do occur, that they will be adequately addressed in a timely manner.

Dependence on Key Personnel

The Company's success depends, to a significant extent, on the continued services of the Company's core senior management team and other key personnel. If one or more of these individuals were unable or unwilling to continue in their present positions, the Company’s business could be disrupted, and the Company might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring any such replacements could be costly and might require the Company to grant significant equity awards or other incentive compensation, which could adversely impact the Company’s financial results. In addition, the Company has set targets relating to the diversity of its senior management and Board. Efforts to meet such targets may increase the time and costs associated with finding replacements for key personnel. The ability to execute the Company's business plan and expand its services will be dependent upon the Company's ability to attract and retain qualified and diverse employees, which is constrained in times of strong industry activity. Failure to attract and retain critical talent with the necessary leadership, professional and technical competencies could have a material adverse effect on Gibson's results of operations, pace of growth and financial condition.

Seasonality and Adverse Weather Conditions

Certain businesses are impacted by seasonality. Generally, the Company's refined products businesses in Canada are impacted in the second quarter due to road bans and other restrictions which impact overall activity levels in the WCSB. Additionally, certain oil and gas producing areas are only accessible in the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain. Harsh weather conditions, caused by climate change or otherwise such as drought, severe storms, flooding, hurricanes and the impacts at the Company's Moose Jaw Facility, which is located in a 500-year flood plain, are particularly challenging and can impede the movement of goods, increase the operating costs for the materials that can be transported, and could result in mechanical malfunctions due to increased soil erosion and earth movement which can have a material adverse effect on the Company's profitability. For additional information on the possible operational impacts of adverse weather conditions please see "Hazards and Operational Risks." The Company's refined products business is impacted by seasonality because the road asphalt industry in Canada and the United States is affected by the impact that weather conditions have on road construction schedules. Refineries produce liquid asphalt year-round, but road asphalt demand peaks during the summer months when most of the road construction activity in Canada takes place.

Subsidence, Coastal Erosion and Hurricanes

The Gateway Terminal is located in an area that is susceptible to subsidence, coastal erosion, hurricanes, earthquakes, flooding and other natural disasters. These events could potentially damage or destroy the Company's assets and disrupt the Company's operations.

Additionally, such events could impact the Company's customers who operate along the Texas Gulf Coast, such that they may be unable to utilize the Company's services. Many climate models indicate that global warming is likely to result in rising sea levels, increased frequency and severity of weather events such as winter storms, hurricanes and tropical storms, extreme precipitation and flooding. These climate-related changes could result in damage to the Company's physical assets, especially those located in low-lying areas near coasts, and facilities situated in hurricane-prone and rain-susceptible regions. The timing, severity and location of these climate change impacts are not known with certainty, and these impacts are expected to manifest themselves over varying time horizons. As a result, the Company may incur significant costs to repair and preserve its facilities and such costs could adversely affect the Company's business, financial condition, results of operations and cash flows.

In addition, Gibson may experience increased insurance premiums and deductibles, or a decrease in available coverage, for assets in areas subject to severe weather. In either case, losses could exceed the Company's insurance coverage and its business, financial condition, results of operations and cash flows could be materially adversely affected.

Acquisition and Integration Risk

The Company has previously expanded its business through acquisitions, including the acquisition of the Gateway Terminal, and may seek to further expand its business through acquisitions in the future. The

Company may from time to time consider and evaluate opportunities for acquisitions; however, there can be no assurance that the Company will find attractive acquisition candidates in the future, or that the Company will be able to acquire such candidates on economically acceptable terms. Acquisitions may require substantial capital and negotiations of potential acquisitions and the integration of acquired business operations could disrupt the Company's business by diverting management's attention away from day-to-day operations. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate business backgrounds and combining different corporate cultures. At times, acquisition candidates may have liabilities or adverse operating issues that the Company fails to discover through due diligence prior to the acquisition.

Although the Company expects to realize certain benefits as a result of acquisitions, there is a risk that some or all of the expected benefits of an acquisition may fail to materialize or may not occur within the time periods that Gibson anticipates. Acquisitions or investments may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business purposes. Any potential impairment of tangible assets, goodwill and other intangible assets related to any such acquisition would reduce the Company's overall earnings, which in turn could negatively affect the Company's capitalization and results of operations.

To effectively integrate the acquisitions into its current operations, the Company must establish appropriate operational, administrative, finance and management systems and controls and marketing functions relating to the acquisitions. These efforts, together with the ongoing integration following the acquisition, will require substantial attention from the Company's management. This diversion of management attention, as well as any other difficulties which the Company may encounter in completing the acquisitions and integration process, could have an adverse effect on the Company's business, financial condition, results of operations and cash flow. There can be no assurance that the Company will be successful in integrating the acquired operations or that the expected benefits of the acquisitions will be realized. If the Company consummates any future acquisitions, the capitalization and results of operations may change significantly.

Dependence on Third Parties

The Company's terminals, pipelines, rail activities, and acreage dedications are dependent upon their interconnections with other terminals, pipelines and rail networks and facilities owned and operated by third parties to reach end markets and as a significant source of supply for the Company's facilities. Outages at these facilities or reduced or interrupted throughput on these pipelines or networks because of weather-related or other natural causes, testing, line repair, damage, reduced operating pressures or other causes, could result in the Company being unable to deliver products to its customers from the Company's terminals, or to receive products for storage at its terminals, or to receive products for processing at its facility in Moose Jaw, Saskatchewan. Changes in product quality specifications, blending requirements and, for example, the change in the nomination process on major long-haul pipelines could impact the Company's ability to deliver products to its facility in Moose Jaw, batch sizes or the number of streams allowable on pipelines or networks, which could reduce the Company's throughput volume, require the Company to incur additional handling costs, or require capital expenditures and could adversely affect the Company's cash flow and revenues.

The Company continues to transport product on a fleet of leased rail cars. Rail activities may be impacted by service delays, inclement weather or derailment which could adversely impact sales volumes, the price received for products and profit margins. The product on rail cars may be involved in a derailment or incident that results in reputational and environmental harm. In addition, when petroleum products are loaded, the Company may be considered the consignor in which case it has specific responsibilities under applicable laws. If additional new regulations are introduced, including but not limited to the potential amendment of the safety standards for rail tank cars used to transport crude oil and other hazardous materials, it could adversely affect the Company's or the customers' ability to move crude oil and other hazardous materials by rail or the economics associated with rail transportation. Further, the Company's profitability may be adversely affected if it is unable to fulfill long-term rail commitments due to declining crude-by-rail demand.

Dependence on Certain Key Suppliers

The Company's ability to compete and expand will be dependent on having access, at a reasonable cost, to equipment, parts and components, which are at least technologically equivalent to those utilized by the Company's competitors, and on the development and acquisition of new and competitive technologies. Although the Company has individual distribution agreements with various key suppliers, there can be no assurance that those sources of equipment, parts or components or relationships with key suppliers will be maintained. If these sources are not maintained, the Company's ability to compete may be impaired. The Company is able to access certain distributors and secure discounts on parts and components that would not be available if it were not for the Company's relationship with certain key suppliers. Should the relationships with these key suppliers cease, the availability and cost of securing certain equipment and parts may be adversely affected.

Regulatory Approvals

The Company's operations require it to obtain approvals from various regulatory authorities and there are no guarantees that it will be able to obtain all necessary licenses, permits and other approvals that may be required to conduct its business. In addition, obtaining certain approvals from regulatory authorities can involve, among other things, stakeholder and Indigenous consultation, environmental impact assessments and public hearings. Regulatory approvals obtained may be subject to the satisfaction of certain conditions, including, but not limited to: security deposit obligations, ongoing regulatory oversight of projects, mitigating or avoiding project impacts, habitat assessments and other commitments or obligations. Failure to obtain applicable regulatory approvals or satisfy any of the conditions thereto on a timely basis on satisfactory terms could result in delays, abandonment or restructuring of projects and increased costs.

Labour Relations

The largest components of the Company's overall operating expenses are salary, wages, benefits and costs of contractors. Any significant increase in these expenses could impact the Company's financial results. In addition, the Company is at risk if there are any labour disruptions. The Company's processing facility located at Moose Jaw, Saskatchewan, is subject to a collective agreement with its employees and Unifor, Local 595, which was ratified on October 7, 2019 and expires January 31, 2024, and certain employees of its subsidiary, Gibson Energy Infrastructure Partnership (operators and lab technicians at the Edmonton Terminal and the Hardisty Terminal), are subject to an agreement with the Gibson's Employees Association (which was ratified on April 1, 2023, and expires March 31, 2027). Labour disruptions could restrict the ability of the Moose Jaw Facility to process crude oil or the terminal and pipeline operations to operate and, therefore, affect the Company's financial results. The Company attempts to enter into union negotiations on a timely basis in light of the length of the collective agreements. However, the Company cannot guarantee that it will be able to successfully negotiate collective agreements prior to their expiration. Any work stoppages or unbudgeted or unexpected increases in compensation could have a material adverse effect on the Company's profitability.

Jointly Owned Facilities

Certain of the Company's facilities are jointly owned with third parties. Approvals must be obtained from such joint owners for proposals to make capital expenditures regarding such facilities. These approvals typically require that a capital expenditure proposal be approved by the owners holding a specified percentage of the ownership interests in the relevant facility. It may not be possible for the Company to obtain the required levels of approval from co-owners of facilities for future proposals for capital expenditures to expand or improve its jointly owned facilities. In addition, agreements for joint ownership often contain restrictions on transfer of an interest in a facility. The most frequent restrictions require a transferor who is proposing to transfer an interest to offer such interest to the other holders of interests in the facility prior to completing the transfer. Such provisions may restrict the Company's ability to transfer its interests in facilities or to acquire partners' interests in facilities and may also restrict the Company's ability to maximize the value of a sale of its interest. Further, should a joint owner become insolvent, the Company may be directed by regulators to assume the joint owner's obligations and may face operational challenges during any insolvency proceedings resulting in additional costs.

As part of the Company's effort to minimize these risks, the Company maintains communication with its co-owners through participation in operating committees and formal decision-making processes. The Company also utilizes its knowledge of industry activity and relationships with other owners to mitigate the risk of uncooperative behavior. However, there is no guarantee that the Company will be able to proceed with its plans for any facilities which are jointly owned.

Expansion/Contraction of Operations

The Company's operations and expertise are currently focused on midstream oil and gas activities; however, in the future it is possible that the Company could engage in other activities. Expansion or contraction of the Company's business into new areas or from current areas may present new risks or significantly increase the exposure to one or more of the existing risks, any of which may adversely affect future operational and financial conditions.

Litigation Risk

From time to time, the Company may be the subject of litigation arising out of its business or operations, including litigation relating to the sale of Gibson's non-core businesses. The Company is not a party to any material litigation. However, if any legitimate cause of action arose which was successfully prosecuted against the Company, the operations, results of operations or financial condition of the Company could be adversely affected.

Claims under such litigation may be material or may be indeterminate. Various types of claims may be made including, without limitation, environmental damages, breach of contract, negligence, product liability, antitrust, bribery and other forms of corruption, tax, patent infringement and employment matters. The outcome of such litigation is uncertain and may materially impact the Company's reputation, financial condition or results of operations. Moreover, unfavorable outcomes or settlements of litigation could encourage the commencement of additional litigation. The Company may also be subject to adverse publicity associated with such matters, regardless of whether the Company is ultimately found responsible. The Company may be required to incur significant expenses or devote significant resources in defense against any such litigation.

Financial and Other Risks

Commodity Prices

The Company's financial performance may be impacted by the prevailing prices of crude oil, natural gas and refined products. Crude oil prices are impacted by a number of factors including, but not limited to: the supply of and demand for crude oil; pandemic and other international and global events and government action and developments relating thereto; economic conditions, including inflation and interest rates; the actions of OPEC including, without limitation, compliance or non-compliance with quotas agreed upon by OPEC members and decisions by OPEC not to impose production quotas on its members; coordinated multinational action to regulate commodity price; government regulation; political stability; market access constraints and transportation interruptions (pipeline, marine or rail); the availability of alternate fuel sources; and weather conditions. Natural gas prices are impacted by a number of factors including, but not limited to: North American supply and demand; developments related to the market for liquefied natural gas; weather conditions; and prices of alternate sources of energy. Refined product prices are impacted by a number of factors including, but not limited to: global supply and demand for refined products; market competitiveness; levels of refined product inventories; refinery availability; planned and unplanned refinery maintenance; and weather. All of these factors are beyond the Company's control and can result in a high degree of price volatility. Fluctuations in currency exchange rates further compound this volatility when the commodity prices, which are generally set in U.S. dollars, are stated in Canadian dollars.

Fluctuations in the price of commodities, associated price differentials and refining margins may impact the value of the Company's assets, the Company's ability to maintain its business and to fund growth projects. Prolonged periods of commodity price volatility may also negatively impact the Company's ability to meet guidance targets and meet all its financial obligations as they come due.

Credit Ratings

The credit rating agencies regularly evaluate the Company and its long-term and short-term debt, and their ratings are based on the Company's financial strength and a number of factors not entirely within the Company's control, including conditions affecting the oil and gas industry generally and the state of the economy. In addition, the treatment of specific financial instruments by credit rating agencies, such as preferred shares and hybrid debt, may change what is defined as long-term or short-term debt versus equity. There can be no assurance that one or more of the Company's credit ratings will not be downgraded. A reduction in any of the Company's current credit ratings could adversely affect the cost and availability of borrowing and access to sources of liquidity and capital.

Counterparties and suppliers are often interested in the Company's credit ratings when establishing and maintaining contractual business arrangements. The Company may be obligated to post collateral in the form of cash, letters of credit or other financial instruments in order to establish or maintain business arrangements, if one or more of its credit ratings falls below certain ratings floors. Additional collateral may be required due to further downgrades below certain ratings floors. Failure to provide adequate risk assurance to counterparties and suppliers may result in the Company foregoing or having contractual business arrangements terminated.

Indebtedness

The Company has, and will continue to have, a significant amount of indebtedness. As of December 31, 2023, the Company had Notes, 2080 Hybrid Notes and 2083 Hybrid Notes outstanding. The Company has access to its Revolving Credit Facility, as well as two demand credit facilities. The Notes and the Revolving Credit Facility are senior unsecured obligations. To support its ESG goals, the Company transitioned the Revolving Credit Facility into a sustainability-linked Revolving Credit Facility in the second quarter of 2021. The Company also has operating lease commitments with respect to office leases, rail cars, vehicles, field buildings, tankage and various equipment that expire with initial or remaining terms in excess of one year.

The Company's indebtedness could have important consequences. For example, it could:

(a) make it more difficult for the Company to satisfy its obligations under its indebtedness;

(b) require the Company to further dedicate a substantial portion of its cash flow from operations to payments of principal and interest on its indebtedness, thereby reducing the availability of its cash flow to fund acquisitions, working capital, capital expenditures, research and development efforts and other general corporate purposes;

(c) require the Company and key personnel to spend more time acquiring access to capital, limiting management’s ability to focus on the operations of the business;

(d) increase the Company's vulnerability to and limit its flexibility in planning for, or reacting to, downturns or changes in its business and the industry in which it operates; restrict the Company from making strategic acquisitions or cause it to make non-strategic divestitures;

(e) expose the Company to the risk of increased interest rates as the borrowings under the Revolving Credit Facility are subject to variable rates of interest and may increase depending on the Company's ability to achieve certain sustainability targets;

(f) place the Company at a competitive disadvantage compared to its competitors that have less debt; and

(g) limit the Company's ability to borrow additional funds.

Debt Service and Refinancing

The Company's ability to make cash payments on its indebtedness and to fund planned capital expenditures will depend on its ability to generate significant operating cash flow in the future. This, to a significant extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Company's control.

The Company cannot make assurances that its business will generate sufficient cash flow from operations or that future borrowings will be available to it under its Revolving Credit Facility in an amount sufficient to enable it to pay its indebtedness or to fund its other liquidity needs. In such circumstances, the Company may need to refinance all or a portion of its indebtedness on or before maturity. The Company cannot make assurances that it will be able to refinance any of its indebtedness on commercially reasonable terms or at all. If the Company cannot service its indebtedness, it may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances or reducing/eliminating its dividend. The Company cannot make assurances that any such actions, if necessary, could be affected on commercially reasonable terms or at all.

If the Company is unable to generate sufficient cash flow or is otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on its indebtedness, or if the Company otherwise fails to comply with the various covenants in the instruments governing its indebtedness, the Company could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest. The lenders under the Revolving Credit Facility could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against the Company's assets, and the Company could be forced into bankruptcy or liquidation.

If the Company's operating performance declines, it may in the future need to obtain waivers from the required lenders under the Revolving Credit Facility, Notes, 2080 Hybrid Notes and 2083 Hybrid Notes to avoid being in default. If the Company, or any of its subsidiaries, breaches the covenants under the Revolving Credit Facility, Notes, the 2080 Hybrid Notes and/or the 2083 Hybrid Notes and seeks a waiver, the Company may not be able to obtain a waiver from the required lenders. If this occurs, the Company would be in default under the Revolving Credit Facility Notes, and 2080 Hybrid Notes and/or 2083 Hybrid Notes, the lenders could exercise their rights, as described above, and the Company could be forced into bankruptcy or liquidation.

Additional Indebtedness

The Company and its subsidiaries may be able to incur additional indebtedness in the future because the Revolving Credit Facility, Notes, 2080 Hybrid Notes and 2083 Hybrid Notes do not fully prohibit the Company or its subsidiaries from doing so, subject to certain conditions. If new debt is added to the Company's current debt levels the related risks that the Company faces could intensify.

Issuance of Additional Securities

The Board may issue an unlimited number of Common Shares, as well as debt that is convertible to equity, without any vote or action by the Company's Shareholders, subject to the rules of any stock exchange on which the Company's securities may be listed from time to time. The Company may make future acquisitions or enter financings or other transactions involving the issuance of securities. In addition, pursuant to the Company's 2011 Equity Incentive Plan, the Company may issue securities exercisable to acquire, together with Common Shares issuable pursuant to any other security-based compensation arrangements of the Company, up to 4% of the Company's currently issued and outstanding Common Shares. If the Company issues any additional equity, the percentage ownership of existing Shareholders may be reduced and diluted, and the market price of the Common Shares may be adversely impacted.

Market Price

The market price of the Common Shares may fluctuate due to a variety of factors relating to the Company's business, including announcements of new developments, fluctuations in the Company's operating results, sales of Common Shares or the issuance of Preferred Shares in the marketplace, failure to meet analysts' expectations, general market conditions or the worldwide economy. In the past, the Common Shares and stock markets in Canada and the U.S. have experienced significant price fluctuations, which may have been unrelated to the operating performance of the Company or the other affected companies. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance. For these reasons, past trends in the price of Common Shares should not be relied upon to predict the future price of Common Shares of the Company.

Payment of Dividends

The payment of dividends is not guaranteed and may fluctuate with the performance of the Company. The Board has the discretion to determine the number and amount of dividends to be declared and paid to Shareholders. The Company may alter its position on dividends at any time and the payment of dividends will depend on, among other things, results of operations, financial condition, current and expected future levels of earnings, operating cash flow, liquidity requirements, market opportunities, income taxes, maintenance capital, growth capital expenditures, debt repayments, debt covenants, commodity prices, legal, regulatory and contractual constraints, working capital requirements, tax laws and other relevant factors (including the risk factors set forth in this AIF). The Company's indebtedness may prohibit the Company from paying dividends at any time at which a default or event of default would exist under such debt, or if a default or event of default would exist as a result of paying the dividend.

Over time, the Company's capital and other cash needs may change significantly from its current needs, which could affect whether the Company pays dividends and the amount of any dividends it may pay in the future. If the Company continues to pay dividends at the current level, it may not retain a sufficient amount of cash to finance growth opportunities, meet any large unanticipated liquidity requirements, or fund its operations in the event of a significant business downturn. The Board, subject to the requirements of the Company's bylaws and other governance documents, may amend, revoke or suspend the Company's dividend at any time. A decline in the market price or liquidity, or both, of the Common Shares could result if the Board establishes large reserves that reduce the number of quarterly dividends paid or if the Company reduces or eliminates the payment of dividends, which could result in losses to Shareholders.

The Company has adopted a DRIP and SDP but the extent to which Shareholders will be eligible to participate and continue to participate in the DRIP and SDP in the future is unknown. The Company suspended the DRIP and SDP on August 6, 2015 and may amend, terminate or reinstate them at any time.

Hedging

The Company monitors its exposure to variations in commodity prices, interest rates, foreign exchange rates and share price. In response, the Company may enter into financial instruments to reduce exposure to unfavorable movements in commodity prices, interest rates, foreign exchange rates and share price. The use of such hedging activities exposes the Company to risks which may cause significant loss. These risks include but are not limited to: changes in the valuation of the hedge instrument being not well correlated to the change in the valuation of the underlying exposures being hedged; deficiency in the Company's systems or controls; human error; and the unenforceability of the Company's contracts. The terms of these contracts or instruments may limit the benefit of favorable changes in commodity prices, interest rates, currency values and share price and may result in financial opportunity loss.

Exposure to Counterparties

In the normal course of business, the Company enters contractual relationships with suppliers, partners and other counterparties in the energy industry and other industries for the provision and sale of goods and services. If such counterparties do not fulfill their contractual obligations, the Company may suffer financial losses, may have to delay its development plans or may have to forego other opportunities which may materially impact its financial condition or operational results.

Foreign Exchange Risk

The Company's results are affected by movements in the exchange rate between the Canadian and U.S. dollar. As a result of the acquisition of the Gateway Terminal, a larger portion of the Company's earnings will be in U.S. dollars. The Company's revenues, expenses and earnings that are denominated in currencies other than the Canadian dollar are translated into Canadian dollars at the average exchange rates prevailing during the period. An increase in the value of the Canadian dollar relative to the U.S. dollar will decrease the Canadian dollar equivalent of revenues the Company receives from its U.S. activities and U.S. dollar denominated activities. Correspondingly, a decrease in the value of the Canadian dollar relative to the U.S. dollar will increase the Canadian dollar equivalent of revenues received from the Company's U.S. activities and U.S. dollar denominated activities.

Access to Credit

The Company's significant debt levels could restrict its ability to access open credit from the Company's suppliers, who may require increased performance assurances. If the Company is unable to access open credit from its suppliers or provide performance assurance, the Company's ability to purchase product could decrease and the Company's financial condition and results of operations could be negatively impacted.

Effective Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under applicable Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could impact the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company discovers a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and reduce the trading price of the Common Shares.

At the operational level, the Company relies on electronic systems for recording sales and accumulating financial data. A major breakdown of the Company's computer systems would disrupt the flow of information and could cause a loss of records. The conversion and upgrade of electronic systems could result in lost or corrupt data which could impact the accuracy of financial reporting and management information.

Based on their inherent limitations, disclosure controls and procedures and internal controls over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Failure to adequately prevent, detect, and correct misstatements could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

DRU Related Risks

The DRU project was declared fully operational and the shipment of DRUbit by rail commenced in December of 2021. The DRU will continue to have a number of ongoing risks throughout its lifecycle, which could impact production, operations and output. Such risks include a disruption in third party provider's services or limitations on their availability, or a disruption or reduction to a supplier's production, which can dramatically impact the operations and growth plans.

As Gibson is in a joint venture with USD Group, the success of the DRU project is also dependent upon a number of joint venture factors that are outside of the Gibson's control, including, among others, the timing and amount of capital expenditures, the timing and amount of operational and maintenance expenditure, the operator's experience, financial resources and risk management practices and the required approval of other participants. USD Group may have different objectives and interests that do not coincide with and may conflict with Gibson's interests. No assurance can be provided that the future demands or expectations of the joint venture parties will be met in a satisfactory or timely manner, which may impact the Company's ability to continue operation of the DRU. Additionally, disputes may arise regarding the timing, funding or capital commitments, which could materially adversely affect the development of such projects and Gibson's business and operations.

The occurrence of any of the foregoing could have a material adverse effect on Gibson's business, financial condition and operation results.

DIRECTORS AND EXECUTIVE OFFICERS

The following are the directors and executive officers of the Company as at December 31, 2023:

Name, Province/State and Country of Residence	Position	Director Since	Principal Occupation During the Past Five Years
Steve Spaulding Alberta, Canada	Director, President and Chief Executive Officer	Jun 19, 2017	Director, President and Chief Executive Officer of the Company since June 2017.
Sean M. Brown Alberta, Canada	Senior Vice President and Chief Financial Officer	N/A	Senior Vice President since October 10, 2017 and Chief Financial Officer of the Company since March 2, 2016.
Sean M. Wilson Alberta, Canada	Senior Vice President, Chief Administrative & Sustainability Officer and Corporate Secretary	N/A	Senior Vice President and Chief Administrative and Sustainability Officer of the Company since August 22, 2022 and Corporate Secretary of the Company since May 8, 2017.
Kyle J. DeGruchy Alberta, Canada	Senior Vice President and Chief Commercial Officer	N/A	Senior Vice President and Chief Commercial Officer since August 22, 2022; prior thereto Senior Vice President, Commercial, since February 2020, prior thereto, Vice President, Trading since October 2018.
Omar Saif Alberta, Canada	Senior Vice President and Chief Operating Officer	N/A	Senior Vice President and Chief Operating Officer since August 22, 2022; prior to, Senior Vice President, Operations & Engineering of the Company since January 1, 2021; Vice President, Operations & Operations Services since January 1, 2019; General Manager Operations & Operations Services since November 21, 2018.

Name, Province/State and Country of Residence	Position	Director Since	Principal Occupation During the Past Five Years
James M. Estey[(1)(3)] Alberta, Canada	Director	Jun 15, 2011	Corporate director.
Douglas P. Bloom[(2)(3)(4)] British Columbia, Canada	Director	May 4, 2016	Corporate director.
James J. Cleary[(2)(3)(4)] Colorado, U.S.	Director	Apr 4, 2013	Managing Director of Global Infrastructure Partners since 2012.
Judy E. Cotte[(2)(5)] Ontario, Canada	Director	Mar 17, 2020	Managing Director, Head of ESG for Onex Corporation since July 2021, prior thereto, CEO of ESG Global Advisors from 2019 to 2021; prior thereto, Vice President and Head of Corporate Governance and Responsible Investment for RBC Global Asset Management from 2012 to 2019.
Heidi L. Dutton[(4)(5)] Saskatchewan, Canada	Director	Jan 11, 2022	Chief Executive Officer of Sunnydale Foods Inc. and Protein Powered Farms since April 2022; prior thereto, Vice President and Managing Director of Sunnydale Foods Inc. from 2020 to 2022; prior thereto, Vice President and Managing Director of Protein Powered Farms from 2018 to 2022.
John L. Festival[(4)(5)(6)] Alberta, Canada	Director	May 9, 2018	President and Chief Executive Officer of Broadview Energy Ltd. since December 2018.
Maria A. Hooper[(2)(4)] Texas, U.S.	Director	Dec 5, 2023	Corporate director since January 2022; prior thereto, Senior Vice President, Commercial of Phillips 66 from 2018 to 2021.

Diane A. Kazarian(2)(5) Ontario, Canada	Director	July 25, 2022	Corporate director since June 2022; prior thereto, Managing Partner and member of Leadership Team at GTA PwC from 2018 to 2022.
Khalid A. Muslih(3)(5) Texas, U.S.	Director	Dec 5, 2023	Chief Executive Officer of Manchester Energy since 2022; prior thereto, Executive Vice President/President, Global Marine Terminals at Buckeye Partners, LP from 2017 to 2022.
Margaret C. Montana(2)(3)(4) Texas, U.S.	Director	Aug 31, 2020	Corporate director.

(1) *Chair of the Board.*
(2) *Member of the Audit Committee.*
(3) *Member of the Corporate Governance, Compensation and Nomination Committee.*
(4) *Member of the Health and Safety Committee.*
(5) *Member of the Sustainability and ESG Committee.*
(6) *John L. Festival resigned from the Board on January 5, 2024. On January 9, 2024, Craig V. Richardson was appointed to the Board.*

Shareholders elect the directors of the Company at each annual meeting of the Shareholders. The directors of the Company serve until the next annual meeting of the Shareholders or until their successors are duly elected or appointed. As of the date hereof, all of the Company's directors are "independent" within the meaning of National Instrument 58-101 (Disclosure of Corporate Governance Practices), adopted by the Canadian Securities Administrators, with the exception of Mr. Spaulding, who is the President and Chief Executive Officer of the Company.

The Board has four committees, being the Audit Committee, the Corporate Governance, Compensation and Nomination Committee, the Health and Safety Committee and the Sustainability and ESG Committee. Additional information regarding the responsibilities of these committees will be contained in the Company's information circular for its annual meeting of Shareholders to be held on April 30, 2024.

As of the date of this AIF, the directors and executive officers of the Company beneficially own, or control or direct, directly or indirectly, 1,238,124 Common Shares representing less than one percent of the issued and outstanding Common Shares (not including any Common Shares issuable pursuant to the exercise of the outstanding stock options, DSUs, PSUs or RSUs).

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Audit Committee Charter is set forth in Appendix "A" to this AIF.

Audit Committee Structure and Responsibilities

The Audit Committee has been structured to comply with the requirements of National Instrument 52-110 Audit Committees ("NI 52-110"). The Company has determined that each of the members of the Audit Committee possesses: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. The Audit Committee meets at least once each financial quarter to fulfill its mandate.

The Audit Committee's primary role is to assist the Board in fulfilling its oversight responsibilities regarding the Company's internal controls, financial reporting and risk management processes.

The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of disagreements between the external auditor and management. The external auditor reports directly to the Audit Committee. The Audit Committee is also responsible for reviewing and approving the Company's hiring policies regarding current and former partners and employees of the external auditor. In addition, the Audit Committee pre-approves all non-audit services undertaken by the external auditor.

The Audit Committee is responsible for establishing and maintaining satisfactory procedures for the receipt, retention and treatment of complaints and for the confidential, anonymous submission by employees of the Company regarding any questionable accounting or auditing matters. The Audit Committee is accountable to the Board and will provide a report to the Board at each regularly scheduled Board meeting outlining the results of the Audit Committee's activities and any reviews it has undertaken.

Composition of the Audit Committee

For the fiscal year ended December 31, 2023, the Company's Audit Committee consisted of Diane A. Kazarian, as Chair, Douglas P. Bloom, James J. Cleary, Judy E. Cotte, Maria A. Hooper and Margaret C. Montana, each of whom is financially literate and independent within the meaning of NI 52-110. Set forth below are additional details regarding each member of the Audit Committee during such period.

Diane A. Kazarian was previously Managing Partner of the Greater Toronto Area and a member of the Leadership Team at PwC Canada and led PwC's largest Canadian market, managing more than 4,000 professionals and 300 partners across all key sectors. Ms. Kazarian is a member of the board of Choice Properties Real Estate Investment Trust and OMERS Administration Corporation, chair of the board of St. Joseph's Health Centre Foundation and a member of the board of Unity Health Toronto. Ms. Kazarian also sits on the boards of Bryant University, Appleby College Foundation and MaRS Discovery District. Ms. Kazarian was recognized as a Fellow of the Chartered Professional Accountants (FCPA) of Ontario and Chartered Professional Accountants (CPA) of Ontario and a recipient of Canada's Most Powerful Women: Top 100 Award. Ms. Kazarian was also certified by the Institute of Corporate Directors (ICD.D) in 2021 and completed the Global ESG Competent Boards Certificate and Designation Program (GCB.D) in 2022. This business experience, combined with her Bachelor of Business Administration from Bryant University and various professional designations, including the FCPA and CPA, provides Ms. Kazarian with the skill set and financial literacy to carry out her duties as the Chair of the Audit Committee.

Douglas P. Bloom has over 30 years of experience in the oil and gas industry and served in numerous executive and board capacities. From 2013 to 2016 he served with Spectra Energy as President, Canadian LNG, from 2008 to 2012 as President, Spectra Energy Transmission West, and from 2003 to 2007 as President, Maritimes & Northeast Pipeline. Mr. Bloom retired from Spectra Energy (now Enbridge) in April of 2016. Mr. Bloom also served as a board member of the Canadian Energy Pipeline Association and as its Chair in 2011 and 2012. This business experience, combined with his Bachelor's and Master's degrees in economics from Simon Fraser University, provides Mr. Bloom with the skill set and financial literacy to carry out his duties as a member of the Audit Committee.

James J. Cleary has over 40 years of industry experience and has been a Managing Director of Global Infrastructure Partners since May of 2012, and as of June 2020, a director of Summit Midstream Partners, LP. Prior to joining Global Infrastructure Partners, Mr. Cleary was the President of El Paso Corporation's Western Pipeline Group and previously served as the President of ANR Pipeline Company. Prior to 2001, Mr. Cleary was the Executive Vice President and General Counsel of Southern Natural Gas Company. Mr. Cleary is recognized by the National Association of Corporate Directors (NACD) as NACD Directorship Certified®. This business experience, combined with a Bachelor of Arts from the College of William & Mary in 1976 and a Juris Doctorate from Boston College Law School in 1979, provides Mr. Cleary with the skill set and financial literacy to carry out his duties as a member of the Audit Committee.

Judy E. Cotte has over 25 years of legal experience, the last 15 of which has been exclusively focused on ESG. Ms. Cotte is a globally recognized expert on ESG and responsible investment and received a Clean50 award for her leadership in advancing sustainability and clean capitalism in Canada in 2020. Ms. Cotte is currently Managing Director, Head of ESG for Onex Corporation. She was previously the Chief Executive Officer of ESG Global and prior to that, was V.P. & Head of Corporate Governance & Responsible Investment for RBC Global Asset Management and was a member of the firm's Executive Committee. Ms. Cotte also serves on the Board of PowerSchool Holdings, Inc. Ms. Cotte is a current member of the TSX Listings Advisory Group and the UN PRI's Global Policy Reference Group. The business experience and accomplishments, combined with a Bachelor of Laws from the University of Toronto and a Master of Laws from Osgoode Hall Law School at York University, provides Ms. Cotte with the financial management expertise and financial literacy to carry out her duties as a member of the Audit Committee.

Maria A. Hooper is a global energy industry executive with over 30 years of experience driving growth in financial results, leading adaptive change and ensuring long-term sustainability for leading energy organizations, most recently as Senior Vice President, Commercial, at Phillips 66. Ms. Hooper is an innovative business builder who collaborates internally and externally to identify and capitalize on new opportunities in the market, and consistently gains stakeholder and team commitment to exceed business targets. Earlier in her career, she served in senior leadership roles at ConocoPhillips and in various positions at Producers Energy Trading, LLC, Apache Corporation and ANR Pipeline. This business experience, combined with a Bachelor of Science degree in Petroleum Engineering from the University of Texas in Austin, provides Ms. Hooper with the skill set and financial literacy to carry out her duties as a member of the Audit Committee.

Margaret C. Montana has over 40 years of experience in the oil and gas industry, with board and executive experience in the midstream and refined products sectors. In 2015, Ms. Montana retired from Shell Midstream Partners GP, LLC where she served as the Chief Executive Officer after previously serving as its Executive Vice President, U.S. Pipeline and Special Projects. In addition, Ms. Montana held various roles at Shell Downstream Inc., a subsidiary of Royal Dutch Shell plc, including Executive Vice President, Supply and Distribution and Vice President, Global Distribution. Ms. Montana also serves on the Board of Kodiak Gas Services, LLC, the Board of Trustees of the Missouri University of Science and Technology and the Board of the Houston YMCA. This business experience, combined with a Bachelor of Science in Chemical Engineering from the Missouri University of Science and Technology, a leading engineering university in the United States, provides Ms. Montana with the skill set and the financial literacy to carry out her duties as a member of the Audit Committee.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets out the fees of the external auditor during the prior two years for services provided to Gibson Energy Inc.:

	2023	**2022**
Audit fees	$ 897,000	$ 752,000
Audit-related fees	605,600	247,400
Tax fees	515,000	102,500
All other fees	220,500	98,500
Total fees	$2,238,100	$1,200,500

Audit-related fees include fees for professional services related to the prospectus filings in connection with the issuance of the Company's indebtedness, equity as well as filing of the Business Acquisition Report, French translation services, sustainability reporting and information technology system implementation.

Tax fees include fees for assistance with establishing a financing structure with respect to the acquisition of Gateway Terminal, advice on certain tax-related matters and assistance in the preparation of income tax returns.

All other fees include fees for annual subscription to accounting research software, advisory services relating to Fighting Against Forced Labour and Child Labour in Supply Chains Act, sustainability, cybersecurity and other advisory services.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Cease Trade Orders

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) is, as of the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), and that was issued while the director or executive officer was acting in the capacity as director, executive officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as of the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and may continue to be engaged in, other activities in the industries in which the Company operates from time to time. As a result of these and other activities, certain directors and officers of the Company may become subject to conflicts of interest from time to time. The ABCA provides that in the event that a director or officer is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such director or officer shall disclose the nature and extent of his or her interest and shall refrain from voting to approve such contract or transaction, unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

As of the date hereof the Company is not aware of any existing or potential material conflict of interest between the Company (or a subsidiary of the Company) and any director or officer of the Company (or a subsidiary of the Company).

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, since January 1, 2023, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be ‘‘material’’ by the Company if it involves a claim for damages and the amount involved, exclusive of interest and costs, does not exceed 10% of the Company's current assets, provided that if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Company has included the amount involved in the other proceedings in computing the percentage. See ‘‘Risk Factors’’.

There were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2023; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority, during the financial year ended December 31, 2023.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any director or executive officer of the Company, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any associate or affiliate of any of such persons or companies, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent, registrar and dividend distribution agent for the Common Shares is Odyssey Trust Company at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts entered into by Gibson during the most recently completed financial year, or before the most recently completed financial year and still in effect, other than in the ordinary course of business, are: (i) the Membership Interest Purchase Agreement among Buckeye South Texas Gateway Holdings LLC, Gray Oak Gateway Holdings LLC, Phillips 66 Partners Holdings LLC, Buckeye South Texas Gateway Holdings LLC, South Texas Gateway Terminal LLC, Gibson (U.S.) Acquisitionco Corp. and the Company, dated June 14, 2023 pursuant to which the Company indirectly acquired the Gateway Terminal on August 1, 2023 for a total purchase price of US$1.1 billion in cash;(ii) the Operating and Maintenance Agreement entered into by Gibson (U.S.) Acquisitionco Corp., a subsidiary of the Company and Buckeye Development & Logistics II LLC dated August 1, 2023 relating to the operation of the Gateway Terminal (the Operating and Maintenance Agreement was terminated effective December 31, 2023); and (iii) the amended Revolving Credit Facility and the indentures governing the Notes, the 2080 Hybrid Notes and the 2083 Hybrid Notes. See "Description of Capital Structure – Long Term Debt" for a description of the contracts.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP has issued an audit opinion on the consolidated financial statements as at December 31, 2023 and 2022 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta. Deloitte & Touche LLP provided a report dated March 29, 2023 on the financial statements of South Texas Gateway Terminal LLC as at December 2022 and 2021 and for the years then ended contained in the Business Acquisition Report. Deloitte & Touche LLP advised that they are independent with respect to South Texas Gateway Terminal LLC under the American Institute of Certified Public Accountants Code of Professional Conduct, and its interpretations and rulings.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular dated March 17, 2023 for its most recent annual general meeting of Shareholders that involved the election of directors. Additional financial information is provided in the Company's audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2023.

APPENDIX "A" AUDIT COMMITTEE CHARTER

A. POLICY STATEMENT

It is the policy of Gibson Energy Inc. (the "Company") to establish and maintain an audit committee (the "Committee") to assist the Board of Directors (the "Board") in carrying out its oversight responsibility regarding the Company's internal controls, financial reporting and risk management processes. The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

B. REPORTING AND ACCOUNTABILITY

1. The Committee is accountable to the Board. The Committee shall, after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
2. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board.
3. The Committee shall review and assess the adequacy of this Charter on an annual basis and, where necessary, will recommend changes to the Board for its approval.
4. Each year the Committee and each member thereof shall review and evaluate its performance and submit itself to a review and assessment by the Board.

C. COMPOSITION OF THE COMMITTEE

1. The Committee will consist of at least three Directors appointed annually by the Board. Where a vacancy occurs at any time in the membership of the Committee, such vacancy may be filled by the appointment of the Board. The Board may seek advice as considered necessary, including from management of the Company and any committee of the Board, including the Corporate Governance, Compensation and Nomination Committee, in identifying qualified candidates. Each year the Board will designate one member as a chairman of the Committee (the "Chair").
2. Each director appointed to the Committee by the Board shall be independent (as defined by National Instrument 52-110 — Audit Committees (or any successor instrument) of the Canadian Securities Administrators ("NI 52-110") except to the extent permitted by NI 52-110.
3. Each member of the Committee shall be "financially literate" as defined in NI 52-110. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable with the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Members must be able to understand the rules and the principles underpinning the preparation of the financial statements and the auditor’s judgments. They must be prepared to invest the time necessary to understand why critical accounting policies are chosen

and how they are applied, and satisfy themselves that the end result fairly reflects their understanding. Subject to NI52-110, a member of the Committee who is not financially literate may be appointed to the Committee provided that the member becomes financially literate within a reasonable period of time following the appointment.

4. A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

D. MEETINGS OF THE COMMITTEE

1. The Committee shall meet as often as it determines necessary, but not less frequently than quarterly at such times and places as may be designated by the Chair of the Committee and whenever a meeting is requested by the Board, a member of the Committee or a senior officer of the Company.

2. Notice of each meeting of the Committee shall be given by the Chair to each member of the Committee and to the external auditors of the Company, who shall be entitled to attend each meeting of the Committee and shall attend whenever requested to do so by a member of the Committee.

3. Notice of a meeting of the Committee shall:

   (a) be in writing;

   (b) state the nature of the business to be transacted at the meeting in reasonable detail, in the form of an agenda;

   (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and

   (d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.

4. A quorum for a meeting of the Committee shall consist of a simple majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee. The presence in person or by telephone of a majority of the Committee's members constitutes a quorum for any meeting.

5. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee at which a majority of the members constituting a quorum are present is necessary for the adoption of any resolution.

6. A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

7. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting. In addition, the Chair of the Committee shall choose one of the persons present to be the Secretary of the meeting.

8. The Chairman of the Board, directors of the Company who are not members of the Committee, senior management of the Company and other parties invited by the Committee may attend meetings of the Committee on a non-voting basis; however the Committee (a) shall meet with the external auditors independent of management, as necessary, in the sole discretion of the Committee, but in any event, not less than quarterly; and (b) may meet separately with management. The Committee may request any officer or employee of the Company or the Company's legal counsel to attend all or parts of a Committee meeting, or to meet with any members of, or consultants to, the Committee.

9. Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting. A report in respect of each meeting of the Committee shall be provided to the Board.

E. DUTIES AND RESPONSIBILITIES

1. Committee's Authority

The Committee shall have the authority to:

(a) inspect any and all of the books and records of the Company, its subsidiaries and affiliates;

(b) discuss with the management of the Company, its subsidiaries and affiliates and senior staff of the Company, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;

(c) communicate directly with the internal and external auditors;

(d) engage independent counsel and other advisors as it determines necessary to carry out its duties; and

(e) set and pay the compensation for any advisors employed by the Committee.

2. Oversight in Respect of Risk Management

The Committee shall:

(a) identify and monitor the principal risks that could affect the financial reporting of the Company;

(b) review and assess the adequacy of the Company's risk management policies, hedging policies, systems, controls and procedures with respect to the Company's principal business risks, and report regularly to the Board;

(c) monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

(d) review the Company's: (i) privacy and data security risk exposures and measures taken to protect the confidentiality, integrity and availability of its management information systems, and (ii) information security including electronic data controls and computer security;

(e) without limiting the generality of subsection 2(d) above, receive cybersecurity reports from management and provide primary oversight of cybersecurity matters, particularly as they relate to financial risk and controls, integrity of financial data and public disclosures, and security of the Company's cyber landscape;

(f) deal directly with the external auditors to approve external audit plans, other services (if any) and the external auditors' fees;

(g) directly oversee the external audit process and results (in addition to items described in Section 5 below);

(h) review the amount and terms of any insurance to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities; and

(i) provide an avenue of communication among the external auditors, management and the Board.

3. Oversight in Respect of Internal Controls

The Committee shall:

(a) monitor the quality and integrity of the Company's system of internal controls, disclosure controls and management information systems through discussions with management and the external auditors;

(b) oversee the system of internal controls by: (i) consulting with the external auditors regarding the effectiveness of the Company's internal controls; (ii) monitoring policies and procedures for internal accounting and financial controls; (iii) obtaining from management adequate assurances that all statutory payments and withholdings have been made; and (iv) taking other actions as considered necessary;

(a) review management's processes in place to prevent and detect fraud and illegality and oversee any investigations of alleged fraud and illegality relating to the Company's finances and any resulting actions;

(b) be responsible for establishing, maintaining and reviewing on a periodic basis, procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(c) review and discuss with the Chief Executive Officer and Chief Financial Officer of the Company the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual and/or quarterly filings with applicable securities regulatory authorities;

(d) review disclosures made by the Chief Executive Officer and Chief Financial Officer to the Company during their certification process for annual and/or quarterly financial statements with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees of the Company who have a significant role in the Company's internal controls; and

(e) review or satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted from the Company's financial statements and periodically assess the adequacy of those procedures.

4. Oversight in Respect of the External Auditors

The Committee shall:

(a) receive confirmation from the external auditors as to their standing as a "participating audit firm" and their compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board as those concepts are set forth in National Instrument 52-108 – Auditor Oversight (or any successor instrument) of the Canadian Securities Administrators;

(b) be directly responsible for overseeing the work of the external auditors (including the resolution of any disagreements between management and the external auditors regarding financial reporting), monitor the independence and performance of the external auditors, annually assess the quality of services provided by the external auditor and annually recommend to the Board the appointment and compensation of the external auditors or the discharge of the external auditors when circumstances are warranted;

(c) consider the recommendations of management in respect of the appointment of the external auditors;

(d) pre-approve all non-audit services to be provided to the Company by the external auditors, or the external auditors of the Company's subsidiaries;

(e) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors;

(f) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditor and documentation required pursuant to National Instrument 51-102 —Continuous

Disclosure Obligations (or any successor instrument) of the Canadian Securities Administrators and the planned steps for an orderly transition period;

(g) as applicable, review any material issues raised by a quality control review of the external auditor and any issues raised by a government authority or professional authority investigation of the external auditor; and

(h) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

5. Oversight in Respect of the Annual Audit, Financial Disclosure and Accounting Practices

The Committee shall:

(a) review the Company's audit plan with the external auditors and management;

(b) discuss with management and the external auditors any proposed changes in major accounting policies, standards or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;

(c) review with management and the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

(d) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

(e) confirm through discussions with management and the external auditors that GAAP and all applicable laws or regulations related to financial reporting and disclosure have been complied with;

(f) review any actual or anticipated litigation or other events, including tax assessments, which could have a material current or future effect on the Company's financial statements, and the disclosure of such in the financial statements;

(g) meet with management and the external auditors to review, and to recommend to the Board for approval prior to public disclosure, the audited annual financial statements and unaudited quarterly financial statements, including reviewing the report of the external auditors, the specific disclosures in the management's discussion and analysis, and the quarterly interim reports;

(h) meet with management and the external auditors, as applicable, to review and discuss, and to recommend to the Board for approval prior to public disclosure:

(i) the annual information form;

(ii) the portions of the management proxy circular, for any annual or special meeting of shareholders, containing significant information within the Committee's mandate;

(iii) all audited and unaudited financial statements included in prospectuses or other offering documents;

(iv) all prospectuses and all documents which may be incorporated by reference in a prospectus, other than any pricing supplement issued pursuant to a shelf prospectus;

(v) any significant financial information respecting the Company contained in a material change report;

(vi) any unaudited interim financial statements, other than quarterly statements;

(vii) any audited financial statements, other than annual statements, required to be prepared regarding the Company or its subsidiaries or benefit plans if required to be made publicly available or filed with a regulatory agency;

(viii) each press release that contains significant financial information respecting the Company or contains estimates or information regarding the Company's future financial performance or prospects (such as annual and interim earnings press releases);

(ix) the type and presentation of information to be included in such press releases (in particular, the use of "pro forma" or "adjusted" non-GAAP information); and

(x) financial information and any earnings guidance proposed to be provided to analysts and rating agencies;

(i) upon request and as applicable, review the external auditor's management comment letter and management's responses thereto and inquire as to any disagreements between management and external auditors; and

(j) discuss with management the effect of any off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses.

6. Oversight in Respect of Other Items

The Committee shall:

(a) review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process;

(b) enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Company, the external auditors or management;

(c) periodically review with management the responsibilities, performance and effectiveness of the internal audit function of the Company;

(d) review the Company's accounting and reporting of environmental costs, liabilities and contingencies;

(e) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors;

(f) be responsible for meeting separately, on a periodic basis, with the internal auditors (or other personnel responsible for the internal audit function);

(g) review legal and regulatory matters, including correspondence with, and reports received from, regulators and government agencies, that may have a material impact on the Company's financial statements, financial reporting and related corporate compliance and programs;

(h) review the portions of the sustainability report containing significant information within the Committee’s mandate;

(i) review with management at least annually the material tax planning initiatives of the Company; and

(j) conduct other investigations or assignments as assigned by the Board or deemed necessary by the Committee to fulfill its mandate.

7. Approval of Audit and Permitted Non-Audit Services Provided by the External Auditors

(a) Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

(b) Any proposed audit and permitted non-audit services to be provided by the external auditors to the Company or its subsidiaries must receive prior approval from the Committee. The Chief Financial Officer of the Company shall act as the primary contact to receive and assess any proposed engagements from the external auditors.

(c) The Committee is also authorized to approve non-audit services that may be provided by a party that is not the external auditors. Examples may be a quarterly review or consulting advice relating to the quarterly financial statements (which the Committee may approve without committing the Company to have a quarterly review of the financial statements on an ongoing basis), tax advice and tax consulting services, or any other consulting services that the Committee determines that it will obtain from any party that is not the external auditors.

(d) Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Committee for review and confirmation that a proposed engagement is permitted.

(e) In the majority of such instances, proposals may be received and considered by the Chair (or such other member of the Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Committee. The Chair will then inform the Committee of any approvals granted at the next scheduled meeting.

8. Limitations on Oversight Function

Notwithstanding the foregoing oversight responsibilities of the Board:

(a) management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements as well as the Company's financial reporting process, accounting policies, internal audit function, internal controls over financial reporting and disclosure controls and procedures;

(b) the external auditors are responsible for performing an audit of the Company's annual financial statements, expressing an opinion as to the conformity of such annual financial statements with GAAP, and reviewing the Company's quarterly financial statements;

(c) it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosure are complete and accurate or that they were prepared in accordance with GAAP or any other applicable laws, rules and regulations;

(d) each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and the integrity of the professionals and experts (including the Company's internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services), if any, and the Company's external auditors) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts; and

(e) auditing literature discusses the objectives of a "review", including a particular set of required procedures to be undertaken by external auditors. The members of the Committee are not independent auditors, and the term "review" as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

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