

CANADA GROWTH FUND, GIBSON ENERGY AND VARME ENERGY ANNOUNCE STRATEGIC PARTNERSHIP TO ADVANCE CANADIAN WASTE-TO-ENERGY PROJECT

Edmonton, June 11, 2024 –Canada Growth Fund Inc. (“CGF”), Gibson Energy Inc. (TSX: GEI) (“Gibson”), and Varme Energy Inc. (“Varme”) are pleased to announce a strategic partnership (the “Partnership”) to accelerate the development of Canada’s first waste-to-energy facility with carbon capture technology (the “Project”). If successful, the Project will be located on Gibson land in the Heartland-area and will have the capability to process 200,000 tonnes per annum of municipal solid waste, diverting residential garbage from landfill. Such waste will be received pursuant to a 15-year contract that has been entered into by Varme and the City of Edmonton.

This proposed greenfield waste-to-energy facility, which would be constructed by the Partnership and operated by Gibson, would have integrated carbon capture equipment enabling the Project to incinerate municipal solid waste and produce carbon-negative electricity. A front-end engineering and design (“FEED”) study is underway, and a final investment decision (“FID”) by the Partnership is planned in early 2025, with commissioning targeted in 2027.

The Project supports the advancement of technologies fundamental to achieving a net-zero electricity grid across the country. Integrated waste-to-energy and Carbon Capture and Storage (“CCS”) has significant potential to be replicated in municipalities across Canada and to put Canada in a position to export this expertise globally. By accelerating local waste diversion, the Project will increase the supply of carbon negative electricity in Alberta by avoiding harmful methane emissions. Governments globally, including the Government of Canada and the Government of Alberta, have identified rapid reductions in methane emissions as key to limiting near-term climate impacts.

The Partnership will collaborate to advance the development of the flagship Heartland project. Pursuant to the terms of the Partnership, should the Project reach a positive FID, Gibson, CGF and Varme would have a 50 percent, 40 percent and 10 percent ownership interest, respectively. In addition, CGF would provide a carbon price assurance mechanism in the form of a Carbon Credit Offtake (“CCO”) to purchase up to 200,000 tonnes per annum of compliance grade carbon credits generated by the Project at an initial price of \$85 per tonne for a term of 15 years. The Project would retain the ability to sell up to 100,000 tonnes per annum of carbon emission reductions into alternative carbon markets, including as Bioenergy with CCS (“BECCS”) atmospheric carbon removal credits. The features of the proposed CCO, notably its large scale and its long-term fixed-price, build on CGF’s past transactions and help to de-risk and accelerate private CCS investment by establishing revenue certainty for Canadian projects. The Project benefits from this innovative CCO structure by having its compliance carbon credits de-risked while retaining the ability to sell high value carbon dioxide removal credits to leading corporations and brands.

About CGF

CGF is a \$15 billion arm’s length public investment vehicle that helps attract private capital to build Canada’s clean economy by using investment instruments that absorb certain risks in order to encourage private investment in low carbon projects, technologies, businesses, and supply chains.

CGF makes strategic investments to help Canada to meet the following national economic and climate policy goals:

- a) reduce emissions and achieve Canada's climate targets;
- b) accelerate the deployment of key technologies, such as low-carbon hydrogen and CCS;
- c) scale-up companies that will create jobs, drive productivity and clean growth across new and traditional sectors of Canada's industrial base;
- d) encourage the retention of intellectual property in Canada; and
- e) capitalize on Canada's abundance of natural resources and strengthen critical supply chains to secure Canada's future economic and environmental well-being.

Further information on CGF's mandate, strategic objectives, investment selection criteria, scope of investment activities, and range of investment instruments can be found on www.cgf-fcc.ca.

About CGF Investment Management

In Budget 2023, the Government of Canada announced that PSP Investments, through a wholly owned subsidiary, would act as investment manager for CGF. CGF Investment Management has been incorporated to act as the independent and exclusive investment manager of CGF.

About Gibson

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, Gibson's operations are located across North America, with core terminal assets in Hardisty and Edmonton, Alberta, Ingleside, Texas, and a facility in Moose Jaw, Saskatchewan.

Gibson shares trade under the symbol GEI and are listed on the Toronto Stock Exchange. For more information, visit www.gibsonenergy.com.

About Varme

Varme, a subsidiary of Norwegian-based Varme Energy AS, is the first Canadian energy development company focused on waste-to-energy with integrated CCS. Varme leverages access to capital and proven experience from its European partners to maximize the success of its Canadian projects. By diverting waste from landfills, recovering the energy trapped in our waste and producing clean energy, Varme Energy is building a future free from landfills. For more information, visit <https://www.varmeenergy.com>.

Advisors

MLT Aikins LLP acted as advisors to Varme Energy Inc.

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Forward-Looking Information

Certain statements and information contained in this press release constitute forward-looking information (as such term is defined under Canadian securities laws). All statements other than statements of historical fact are forward-looking information. The use of any of the words “anticipate”, “plan”, “continue”, “target”, “estimate”, “expect”, “intend”, “propose”, “might”, “may”, “will”, “shall”, “project”, “should”, “could”, “would”, “believe”, “predict”, “forecast”, “potential”, “goal”, “seek”, and “opportunity” and similar expressions expressing future outcomes or statements regarding an outlook are intended to identify forward-looking information.

Forward-looking information contained in this press release includes, but is not limited to, information regarding the potential development of the Project and its expected activities, capabilities and outcomes, timing and capital costs related to the Project, the expected impact of the Project on net-zero goals, methane emissions and overall climate impacts, the scalability of the Project and demand therefor both in Canada and on a global level, an investment in the Project by CGF and/or Gibson and the ownership interests resulting therefrom.

The forward-looking information contained in this press release reflects beliefs and assumptions with respect to the outlook for economic and industry trends, commodity prices, capital markets, interest rates, the regulatory and legal environment, climate-related matters, and the timing and financial impact of certain events. The Partnership believes that its assumptions and analysis in this press release are reasonable; however, no assurance can be given that these expectations will prove to be correct.

Actual results could differ materially from those anticipated in such forward-looking information as a result of factors outside of the Partnership’s control and due to the risks and uncertainties described under the heading “Risk Factors” in Gibson’s current management’s discussion and analysis and Annual Information Form, in each case as filed on SEDAR+ at www.sedarplus.ca and available on its website at www.gibsonenergy.com. Readers should refer to “Forward-Looking Information” and “Risk Factors” included in such documents. Readers are cautioned that there may be risks that are unknown and other risks that may pose unexpected consequences. As such, forward-looking information included or referred to in this press release should not be unduly relied upon. The forward-looking information included or referred to in this press release is expressly qualified by this cautionary statement and is as of the date hereof. The Partnership 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.