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Tidewater Midstream and Infrastructure Ltd. Announces Strategic Acquisition of Deep Basin Gas Processing and Gathering Assets

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Tidewater Midstream and Infrastructure Ltd. ("Tidewater" or the "Corporation") (TSX VENTURE: TWM) is pleased to announce that it has entered into an agreement with AltaGas Ltd. ("AltaGas" or the "Vendor") (TSX: ALA) to acquire 100% of AltaGas' working interest in select Deep Basin and central Alberta gas processing facilities and related infrastructure (the "Assets"), the majority of which are located in Tidewater's core West Pembina region (the "Acquisition"). Under the terms of the Acquisition, Tidewater will issue to AltaGas approximately 43.7 million Tidewater common shares and pay AltaGas \$30 million in cash, funded through cash on hand and availability under Tidewater's existing corporate credit facility.

"The Acquisition is consistent with Tidewater's strategy to capitalize on Canadian natural gas liquids ("NGLs") market opportunities within the Deep Basin. The acquisition of strategic midstream infrastructure allows Tidewater to capture the value of infrastructure connectivity and offer additional options to producers," commented Joel MacLeod, Chairman, President and CEO of Tidewater. "The majority of the earnings from the acquired assets are derived from our strategic Deep Basin core area and will be highly synergistic with our existing Brazeau River Complex assets, allowing Tidewater the opportunity to optimize the currently underutilized plants being acquired and further build out our natural gas and NGL network".

"Moving forward, AltaGas and Tidewater have agreed to work together to identify additional opportunities that could enhance value for each company's respective producer customers and shareholders," commented David Cornhill, Chairman and CEO of AltaGas. Tidewater and AltaGas are currently discussing other strategic opportunities involving NGLs and natural gas.

Acquisition Overview

The Assets include working interests in select Deep Basin and central Alberta gas processing facilities and related infrastructure. The facilities have a combined gross licensed natural gas processing capacity of approximately 490 MMcf/d and current throughput of approximately 102 MMcf/d. The Acquisition includes eight core facilities that are focused in the Deep Basin, located in proximity to Tidewater's Brazeau River Complex ("BRC"), which generated approximately 77% of the acquired Assets' 2015 EBITDA. These core facilities are located at Windfall/Kaybob, Marlboro/Edson, Alder Flats, Gilby, Manola, Bonnie Glenn, Malmo and Sylvan Lake. In addition, the Acquisition also includes over 2,000 km of gathering pipelines and other associated infrastructure.

Transaction Highlights

Key transaction highlights include:

Attractive Acquisition Metrics: Pursuant to the Acquisition, Tidewater will acquire the Assets, which are forecasted to produce 2016E EBITDA of approximately \$14.4 million, for \$30 million in cash and approximately 43.7 million Tidewater common shares. The Acquisition is being completed in line with metrics that are consistent with Tidewater's previous acquisitions and are attractive relative to market precedent transactions. Further, the Assets are contiguous with Tidewater's existing network, providing several attractive optimization opportunities.

Accretive to Tidewater Shareholders: The Acquisition is expected to be immediately accretive to cash available for distribution in 2016E by approximately 11%. With the low capital intensity growth initiatives that Tidewater expects to undertake (similar to those being undertaken at the BRC), there is the potential for meaningful accretion in 2017E and beyond with relatively small capital additions, in addition to NGL marketing opportunities related to the acquired Assets.

Core Facilities Situated in Growing Multi-Zone Production Region: The eight core facilities are located throughout the Deep Basin, a production area that continues to experience growth, even in the current lower commodity price environment. Continued drilling activity in the Deep Basin is expected to allow Tidewater to increase throughput and utilization rates at the core facilities as the utilization rate from the acquired Deep Basin/core area plants average approximately 35%.

Significant Committed Volumes: Approximately 50% of the 2016E volumes from the Assets are underpinned by either take-or-pay contracts with remaining terms ranging from 5 to 9 years or area/reserve life dedication contracts backed by credible counterparties/producers.

Significant Growth Opportunities: Increasing volumes through the facilities, NGL marketing and near-term small-scale optimization investment opportunities are available to increase EBITDA with modest capital expenditures. Additional larger scale investment opportunities are also available to provide greater facility optimization, further build out Tidewater's network and provide producers with egress and takeaway options for their natural gas and NGLs.

Another Link in Tidewater's Infrastructure Network: The acquired Assets are contiguous with Tidewater's existing core assets and customer base, increasing the opportunity to better utilize Tidewater's entire network and drive higher gross volumes for its customers. The extensive pipeline gathering systems and proximity to major egress pipelines of the expanded network continue to position Tidewater to obtain better market pricing for its customers' production.

Relationship with AltaGas

Upon closing of the Acquisition, AltaGas will own approximately 19.9% of the total issued and outstanding common shares of Tidewater. AltaGas will have the right to nominate one member to Tidewater's board of directors and the right to increase their related board nominees commensurate with ownership. AltaGas has agreed to a standstill agreement to not acquire additional Tidewater common shares that would increase its ownership interest above 19.9% without the consent of Tidewater.

All of the common shares issued pursuant to the Acquisition will be subject to a statutory hold period of four months from the closing date.

Timing

The Acquisition is expected to close in the first quarter of 2016 and is subject to standard closing conditions customary for a transaction of this nature, including the approval of the TSX Venture Exchange ("TSX-V").

Advisors

Beacon Securities Limited is acting as lead financial advisor to Tidewater in connection with the Acquisition. Tidewater has also engaged CIBC Capital Markets as financial advisor and Macquarie Capital Markets as strategic advisor to Tidewater. CIBC provided an opinion to the Board of Directors to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications contained therein, the consideration to be paid by the Company pursuant to the Acquisition Agreement is fair, from a financial point of view, to the Company.

Cautionary Notes

The Corporation's Business

Tidewater is a public company listed on the TSX-V that was incorporated under the Alberta Business Corporations Act on February 4, 2015 to pursue the purchase, sale and transportation of natural gas liquids ("NGLs") throughout North America and export to overseas markets. Tidewater is also engaged in the acquisition of oil and gas infrastructure, including gas plants, pipelines, NGLs by rail, export terminals and storage facilities. Tidewater continues to investigate opportunities with North American producers and mid-streamers for the acquisition and operation of such infrastructure projects.

Advisory Regarding Forward-Looking Statements

In the interest of providing Tidewater's shareholders and potential investors with information regarding Tidewater, including management's assessment of Tidewater's future plans and operations, certain statements in this press release are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "ongoing", "outlook", "potential", "project", "plan", "should", "target", "would", "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this press release contains forward-looking statements relating to but not limited to: our business strategies, plans and objectives and the Acquisition. These forward-looking statements are based on certain key assumptions regarding, among other things: our ability to execute on our business plan for the acquired Assets, revenue expectations for the acquired Assets, production expectations in the Deep Basin, AltaGas' future plans for the relationship and investment in Tidewater shares; our operating activities; the availability and cost of labour and other industry services; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; and current industry conditions, laws and regulations continuing in effect (or, where changes are proposed, such changes being adopted as anticipated). Readers are cautioned that such assumptions, although considered reasonable by Tidewater at the time of preparation, may prove to be incorrect.

Actual results achieved will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

The above summary of assumptions and risks related to forward-looking statements in this press release has been provided in order to provide shareholders and potential investors with a more complete perspective on Tidewater's current and future operations and such information may not be appropriate for other purposes. There is no representation by Tidewater that actual results achieved will be the same in whole or in part as those referenced in the forward-looking statements and Tidewater does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

In this press release Tidewater has used terms that are not defined by GAAP but are used by management to evaluate the performance of the Corporation. Since non-GAAP and additional GAAP measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that non-GAAP and additional GAAP measures are clearly defined, qualified and reconciled to their nearest GAAP measure. Except as otherwise indicated, these non-GAAP and additional GAAP measures will be calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of non-GAAP and additional GAAP measures is to provide additional useful information to investors and analysts though the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate these non-GAAP and additional GAAP measures differently.

EBITDA is a non-GAAP measure. EBITDA is calculated as income or loss before interest, taxes, depreciation and amortization.

U.S. Securities Laws

This press release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended, or any state securities laws and may not be offered or sold within the United States unless an exemption from such registration is available.

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TSX Venture Exchange

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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