



**TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. ANNOUNCES YEAR
END 2016 RESULTS, TEN-YEAR PROCESSING AGREEMENT AND RESERVE
DEDICATION AT THE BRAZEAU RIVER COMPLEX, STRATEGIC ACQUISITIONS,
OPERATIONAL UPDATE AND INCREASE TO CREDIT FACILITY**

CALGARY, March 30, 2017 - Tidewater Midstream and Infrastructure Ltd. (“**Tidewater**” or the “**Corporation**”) (TSXV: TWM) is pleased to announce that it has filed its audited consolidated financial statements, Management’s Discussion and Analysis (“**MD&A**”) and Annual Information Form for the year ended December 31, 2016.

Highlights

- Tidewater maintained strong financial results in the fourth quarter of 2016, generating adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) of \$11.8 million or \$0.04 per share. For the year ended December 31, 2016 the Corporation generated Adjusted EBITDA of \$37.9 million or \$0.15 per share.
- Tidewater increased its working interest to 100% and obtained full control of the Brazeau River Complex (the “BRC”), surrounding gas gathering pipelines and infrastructure, and three proven natural gas storage reservoirs connected to the BRC, in the fourth quarter of 2016.
- Tidewater has reached an agreement in principal for a ten-year processing and reserve dedication at the BRC on approximately 55,000 acres of undeveloped lands with a well-capitalized, high-growth, mid-sized private company that will keep the BRC near or at capacity into the foreseeable future.
- The Corporation’s previously announced capital budget remains on time and on budget with commissioning of the 10,000 bbl/day fractionation facility at the BRC, relocation of the turbo expander and commissioning of the rail facility to occur in the second quarter of 2017.
- On January 11, 2017 Tidewater closed on its \$69 million bought deal financing which was used in part to finance the above acquisitions and ongoing capital projects.

- In March 2017, Tidewater increased availability under its Credit Facility from \$120 million to \$180 million with a current net debt position of approximately \$10 million, ensuring sufficient available capital to execute on its near term organic and acquisition growth opportunities.
- Tidewater expanded its Montney footprint into North East British Columbia (“NEBC”) with the acquisition of a 40% working interest in a sour gas processing facility in the heart of the Montney at Parkland, approximately 1,000 acres of greenfield surface land, and 100% working interest in an 80 km cross-border sales gas pipeline.
- Tidewater entered an agreement to further enhance its value chain through the acquisition of an NGL trucking division. The NGL Trucking Acquisition enhances the value of the recently announced fractionation facility at the BRC gas plant and NGL truck-out gas processing facilities by providing further control of Tidewater’s operations.
- Current corporate throughput is at record levels and drilling activity at all-time highs around the BRC which is expected to contribute to strong first quarter 2017 results.

Selected financial and operating information is outlined below and should be read with Tidewater’s audited consolidated financial statements and related MD&A which are available at www.sedar.com and on our website at www.tidewatermidstream.com.

Financial Overview

(In thousands of Canadian dollars, except per share data)

	Three-months ended December 31,		Year ended December 31,	For the period from February 4, to December 31,	
	2016	2015	2016	2015	
Total revenues	\$ 38,876	\$ 13,623	\$ 109,940	\$ 21,563	
Income for the period	\$ 3,678	\$ 8,487	\$ 15,128	\$ 8,467	
Earnings per common share – basic and diluted	\$ 0.01	\$ 0.05	\$ 0.06	\$ 0.10	
EBITDA ¹	\$ 9,719	\$ 11,003	\$ 34,084	\$ 13,700	
Adjusted EBITDA ²	\$ 11,768	\$ 6,547	\$ 37,871	\$ 11,327	
Adjusted EBITDA per common share - basic ²	\$ 0.04	\$ 0.04	\$ 0.15	\$ 0.13	
Adjusted EBITDA per common share - diluted ²	\$ 0.04	\$ 0.04	\$ 0.14	\$ 0.13	
Total cash and cash equivalents	\$ 8,010	\$ 372	\$ 8,010	\$ 372	
Total assets	\$ 580,430	\$ 298,318	\$ 580,430	\$ 298,318	
Total acquisitions	\$ 59,798	\$ 62,693	\$ 231,198	\$ 264,452	
Total capital expenditures	\$ 33,305	\$ 2,004	\$ 49,556	\$ 3,378	
Bank debt	\$ 50,000	\$ 30,803	\$ 50,000	\$ 30,803	
Total non-current financial liabilities	\$ 104,959	\$ 80,374	\$ 104,959	\$ 80,374	
Working capital surplus (deficit)	\$ (49,041)	\$ 16,904	\$ (49,041)	\$ 16,904	

Cash flow from operating activities ³	\$	11,654	\$	6,474	\$	36,851	\$	11,059
Cash flow from operating activities per common share – basic and diluted ³	\$	0.04	\$	0.04	\$	0.14	\$	0.13
Distributable cash flow ⁴	\$	10,113	\$	6,474	\$	34,717	\$	11,059
Distributable cash flow per common share – basic ⁴	\$	0.04	\$	0.04	\$	0.13	\$	0.13
Distributable cash flow per common share – diluted ⁴	\$	0.03	\$	0.04	\$	0.13	\$	0.13
Dividends declared	\$	2,846	\$	1,759	\$	11,309	\$	3,507
Dividends declared per common share	\$	0.01	\$	0.01	\$	0.04	\$	0.02
Total common shares outstanding (000s)		284,158		168,065		284,158		168,065
Total RSUs outstanding (000s)		5,569		2,468		5,569		2,468
Total Options outstanding (000s)		4,080		782		4,080		782

Notes:

- 1 EBITDA is calculated as income or loss before finance costs, taxes, depreciation and amortization. EBITDA is not a standard measure under GAAP. See “Non-GAAP Financial Measures” beginning on page 14 of the MD&A for a reconciliation of EBITDA to its most closely related GAAP measure.
- 2 Adjusted EBITDA is calculated as EBITDA adjusted for incentive compensation, unrealized gains/losses, non-cash items, transaction costs and items that are considered non-recurring in nature. Adjusted EBITDA per common share is calculated as Adjusted EBITDA divided by the weighted average number of common shares outstanding for the year ended December 31, 2016. Adjusted EBITDA and Adjusted EBITDA per common share are not standard measures under GAAP. See “Non-GAAP Financial Measures” beginning on page 14 of the MD&A for a reconciliation of Adjusted EBITDA and Adjusted EBITDA per common share to their most closely related GAAP measures.
- 3 Cash flow from operating activities is calculated as net cash used in operating activities before changes in non-cash working capital less any long term incentive plan expenses. Cash flow from operating activities per common share is calculated as cash flow from operating activities divided by the weighted average number of common shares outstanding for the year ended December 31, 2016. Cash flow from operating activities and cash flow from operating activities per common share are not standard measures under GAAP. See “Non-GAAP Financial Measures” beginning on page 14 of the MD&A for a reconciliation of cash flow from operating activities and cash flow from operating activities per common share to their most closely related GAAP measures.
- 4 Distributable cash flow is calculated as net cash used in operating activities before changes in non-cash working capital and after any expenditures that use cash from operations. Distributable cash flow per common share is calculated as distributable cash flow over the weighted average number of common shares outstanding for the year ended December 31, 2016. Distributable cash flow and distributable cash flow per common share are not standard measures under GAAP. See “Non-GAAP Financial Measures” beginning on page 14 of the MD&A for a reconciliation of distributable cash flow and distributable cash flow per common share to their most closely related GAAP measures.

Ten-Year Processing Agreement and Reserve Dedication at BRC

Tidewater has reached an agreement in principal for a ten-year processing and reserve dedication with a well-capitalized, high-growth private company that is expected to bring the BRC near or at capacity into the foreseeable future. The related processing fees are in line with the existing processing fees at the BRC and Tidewater will market all NGLs associated with the reserve dedications, where Tidewater continues to pursue opportunities to improve netbacks for its customers. The arrangement is expected to replace the largest customer at the BRC, whose existing take-or-pay agreement ends in the second quarter of 2018. Drilling activity around the BRC remains at all-time highs; and as a result of this, Tidewater has started to scope an expansion of the BRC to increase its processing capacity and add additional natural gas and NGL takeaway options for producers, which includes the previously announced three proven natural gas storage reservoirs that are directly connected to the BRC. As part of the arrangement, Tidewater will divest of the previously acquired undeveloped mineral rights, which were announced on November 16, 2016 in return for a three to four well drilling commitment and area dedication for the life of the

reserves on approximately 30,000 acres of undeveloped lands. Additionally, Tidewater is expected to invest \$10-15 million of capital to tie-in a new core area the private company owns and is not currently connected to the BRC. The capital will be backstopped by a ten-year processing agreement and reserve dedication on an additional 25,000 acres. The agreement is expected to be finalized in the next few weeks and is subject to customary closing conditions.

Strategic Acquisitions

The NEBC Acquisition

Tidewater entered into an agreement with Predator Oil BC Ltd. (“Predator”), a related party, to acquire a non-operated 40% working interest in a 30 MMcf/d sour, shallow-cut gas processing facility in the Parkland area of NEBC, approximately 1,000 acres of greenfield surface land in the Fort St. John area of NEBC and an 80 km, cross-border sales gas pipeline in the Cordova area of NEBC for a total consideration of \$10 million in cash. As part of the consideration, Tidewater is also transferring Predator approximately 2,500 net acres of undeveloped lands previously acquired in October 2015.

The Parkland Gas Plant and the Land are in a new core area for Tidewater, within the heart of the Montney play in NEBC near numerous pipeline egress options for NGL and natural gas connectivity and access to rail which have current and future opportunities to become a major energy hub in NEBC, with the potential to connect Tidewater’s Montney infrastructure/egress hub in the Pipestone area. The Sales Pipeline is connected to the 140 MMcf/d Wildboy gas processing facility in the Cordova area of NEBC, which Predator has a 100% working interest in, and connects to Westcoast Energy Inc. in NEBC and Nova Gas Transmission Ltd. in Alberta. As part of the transaction, Predator has entered an agreement for gas processing at the Parkland Gas Plant with an area dedication for the life of the reserves and an agreement for transportation on the Sales Pipeline with an area dedication for the life of the reserves. Tidewater estimates the NEBC Acquisition to generate annualized EBITDA of \$1.8-2.0 million, which is a 5.0-5.5x multiple based on total consideration of \$10 million in cash.

Predator is a related party by virtue of Tidewater’s Chairman, President and CEO, Joel MacLeod, and one of Tidewater’s Directors, Stephen Holyoake, both being shareholders and Directors of Predator. Tidewater formed an independent special committee (the “Independent Special Committee”) comprised of two independent Board of Directors to evaluate the NEBC Acquisition and the NGL Trucking Acquisition referred to below. CIBC and Stikeman Elliott LLP were retained to provide financial and legal advice, respectively, to the Independent Special Committee. CIBC provided an opinion to the Independent Special Committee to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications contained herein, the consideration to be paid by Tidewater pursuant to the NEBC Acquisition is fair, from a financial point of view, to Tidewater.

The NEBC Acquisition constitutes a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61- 101"). Tidewater is relying on the exemptions from the formal valuation and minority approval requirements under MI 61- 101. Tidewater is exempt from the formal valuation

requirement of MI 61-101 in reliance on sections 5.5(a) and (b) of MI 61-101 as the fair market value of the NEBC Acquisition, insofar as it involves interested parties, is not more than the 25% of Tidewater's market capitalization, and no securities of Tidewater are listed or quoted for trading on prescribed stock exchanges or stock markets. Additionally, Tidewater is exempt from minority shareholder approval relying on section 5.7(1)(a) of MI 61-101.

The Independent Special Committee determined that the NEBC Acquisition was in the best interests of Tidewater and recommended that the Tidewater Board of Directors approve the NEBC Acquisition. On March 29, 2017 the Tidewater Board of Directors approved the NEBC Acquisition. The NEBC Acquisition is subject to ordinary conditions including the acceptance of the TSX Venture Exchange.

The NGL Trucking Acquisition

Tidewater also entered an agreement with Mach Energy Services Inc. ("Mach") to acquire six tractors, seven NGL trailers and three condensate trailers for a total consideration of \$3.5 million in cash. The NGL Trucking Acquisition enhances the value of the recently announced fractionation facility at the BRC gas plant and NGL truck-out gas processing facilities by providing further control of its operations, and is consistent with Tidewater's strategy to enhance its logistics network and market access infrastructure throughout the natural gas and NGL value chain. Tidewater estimates the NGL Trucking Acquisition to generate annualized EBITDA of \$0.9 million, which is a 4.0x multiple based on total consideration of \$3.5 million in cash.

Mach is a related party by virtue of being owned or controlled by Tidewater's Chief Financial Officer, Joel Vorra; Vice President, Logistic and Midstream Operations, Jarvis Williams; and, various other Tidewater employees, officers and related parties including Chairman, President and CEO, Joel Macleod and one of Tidewater's Directors, Steve Holyoake. Mach was formed prior to the incorporation of Tidewater as an independent, standalone business. The executive officers who owned shares of Mach have committed to invest a significant portion of the proceeds received from the Mach disposition into the acquisition of Tidewater common shares in the open market. CIBC provided an opinion to the Independent Special Committee to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications contained herein, the consideration to be paid by Tidewater pursuant to the NGL Trucking Acquisition is fair, from a financial point of view, to Tidewater.

The NGL Trucking Acquisition constitutes a "related party transaction" as such term is defined under MI 61- 101. Tidewater is relying on the exemptions from the formal valuation and minority approval requirements under MI 61- 101. Tidewater is exempt from the formal valuation requirement of MI 61-101 in reliance on sections 5.5(a) and (b) of MI 61-101 as the fair market value of the NGL Trucking Acquisition, insofar as it involves interested parties, is not more than the 25% of Tidewater's market capitalization, and no securities of Tidewater are listed or quoted for trading on prescribed stock exchanges or stock markets. Additionally, Tidewater is exempt from minority shareholder approval relying on section 5.7(1)(a) of MI 61-101.

The Independent Special Committee determined that the NGL Trucking Acquisition was in the best interests of Tidewater and recommended that the Tidewater Board of Directors approve the

NGL Trucking Acquisition. On March 29, 2017, the Tidewater Board of Directors approved the NGL Trucking Acquisition. The NGL Trucking Acquisition is subject to ordinary conditions including the acceptance of the TSX Venture Exchange.

Outlook

Corporate throughput is currently at all-time highs with some processing facilities operating at record levels through the quarter. Drilling activity in Tidewater's core Deep Basin area has continued to accelerate to all-time highs with approximately 370 wells being licensed within 60 miles of the BRC in the past six months contributing to strong first quarter 2017 results. Tidewater continues to evaluate several organic capital growth opportunities including an expansion at the BRC. The Corporation has also benefited from increased throughput at its Edmonton area assets with the reactivation of the Fort Saskatchewan Extraction Plant and continues to grow its NGL business while working with producers to increase netback pricing. Commissioning of Tidewater's 10,000 bbl/d fractionation facility will further integrate the Corporation's value chain and help achieve its goal of offering producers better pricing.

Tidewater also continues to increase its exposure to the Montney resource play development with the move into North East British Columbia and the ongoing development of the Montney Egress Hub in the Pipestone area. Tidewater has received significant interest from Montney producers for processing, fractionation, egress and marketing solutions.

Capital Program

Tidewater is nearing completion of a portion of its previously announced capital projects, with \$60 - \$65 million deployed including its 10,000 bbl/d fractionation facility at the BRC, relocation of the idled turbo expander from the Edmonton area, and its Acheson rail facility. Tidewater remains on time and on budget on its capital program and expects the above projects to be commissioned at various stages through the second quarter of 2017. The EBITDA generated from Tidewater's capital program is expected to be in line with the amount previously disclosed.

Tidewater has commenced reservoir injections on Phase I of its Montney infrastructure/egress hub in the Pipestone area, which was completed on time and on budget. In light of the recent and continued volatility in AECO pricing as well as AECO summer and winter spreads, the Corporation continues to advance toward a final investment decision on Phase II of the project which will include connections to both Alliance and TCPL and continues to receive interest from several investment grade counter parties to contract the available capacity on a five-year basis, which will further diversify Tidewater's customer base. It is now expected Tidewater will make a final investment decision by the end of 2017. The capital required to move the project forward is currently accounted for in Tidewater's total \$125 million capital budget previously announced through the end of 2017. If approved, Tidewater expects to commence operations in the second quarter of 2018.

Tidewater continues to progress on its 50-100 Mmcf/day sour gas plant which would be backed by take or pay contracts and/or reserve dedications. Although no certainty can be provided, Tidewater is encouraged by the progress and support and expects a final investment decision in

2017. The Pipestone Gas Plant is expected to be directly connected to Tidewater's Montney infrastructure/egress hub in the Pipestone area.

Credit Facility Increase

Tidewater is also pleased to announce that it has increased availability under its credit facility from \$120 million to \$180 million. The National Bank Financial led facility includes ATB Financial, Canadian Imperial Bank of Commerce, Business Development Bank, and Canadian Western Bank.

Stock Options and RSUs

The Corporation has approved a grant of 1,659,000 restricted share units and 1,231,000 stock options to directors, officers, employees and consultants of the Corporation. The options will have an exercise price equal to the price per common share on the date of grant, will vest over a period of three years, and will expire five years from the date of grant. The Corporation has determined that exemptions from the various requirements of TSX Venture Exchange Policies are available for the granting of the options and RSUs.

About Tidewater

Tidewater 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 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 assets.

Additional information relating to Tidewater is available on SEDAR at www.sedar.com and at www.tidewatermidstream.com.

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. These forward-looking statements are based on certain key assumptions regarding, our ability to execute on our business plan, our operating activities 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.

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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