

Tidewater Midstream and Infrastructure Ltd. Announces Strategic Acquisitions within Deep Basin and Montney Regions

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Tidewater Midstream and Infrastructure Ltd. ("Tidewater" or the "Company") (TSX VENTURE:TWM) is pleased to announce that it has entered into two acquisition agreements, one being an acquisition in the Deep Basin and Montney region (the "Deep Basin and Montney Acquisition") and the second being an acquisition in the Wapiti region (the "Wapiti Pipeline Acquisition") for combined cash consideration of \$51 million (collectively, the "Acquisitions"). The Acquisitions will be funded using available room on Tidewater's existing credit facility and is consistent with Tidewater's strategy to acquire, optimize and integrate strategic midstream assets while providing enhanced egress/takeaway options for producers.

The Acquisitions create a strategic backbone pipeline network running from Narraway and Wapiti and interconnecting to Ansell, Brazeau, Stolberg and Ferrier providing connectivity between Tidewater's core Montney and Deep Basin areas. The present-day replacement value of the Acquisitions is greater than \$900 million. Key pieces of infrastructure include an 85% working interest in a rail connected 600 MMcf/day gas plant, 25% operated working interest in 400 MMcf/day and 200 MMcf/day dehydration and compression facilities at Stolberg and Brazeau and an operated working interest in greater than 600 km of pipelines.

Forecasted 2018 EBITDA for the Acquisitions is approximately \$10 million resulting in an EBITDA multiple of approximately 5.1x and is accretive to Tidewater on an EBITDA per share basis. The Acquisitions are supported by a ten-year reserve dedication and a \$12 million capital commitment.

Deep Basin and Montney Acquisition

The first acquisition is with a vendor (the "Deep Basin and Montney Vendor") to acquire two strategic assets in the Deep Basin (the "Deep Basin Assets") and Montney (the "Montney Assets") regions for total cash consideration of \$31 million. The Deep Basin and Montney Acquisition is subject to standard industry closing conditions and the concurrent sale of certain upstream assets by the Deep Basin and Montney Vendor to a third-party purchaser.

The Deep Basin Assets include an 85% operated working interest in a rail connected, 600 MMcf/day gas processing facility and various operated working interests in large diameter pipelines running from the Ansell area, through Brazeau and Stolberg to south of Ferrier. The gas processing facility sits in a region that does not typically experience restrictions on TransCanada pipelines. In addition, the Deep Basin Assets include an approximate 25% operated working interest in 400 MMcf/day and 200 MMcf/day dehydration and compression facilities at Stolberg and Brazeau, as well as a 100% working interest in a 20 MMcf/day gas processing facility in the Ferrier area.

The Montney Assets include various working interests in 150 km of pipelines in the Jedney, Blair and Altares area of NEBC, a 31% working interest in the Cypress Sour Gas Plant, a 40% working interest in two key compression facilities and approximately 50 net sections of prospective Montney rights in the Altares

area of NEBC, which Tidewater plans to divest in exchange for volume commitments. In addition, the Montney Assets include approximately 500 bbls/day of production at Valhalla including a 100% working interest in a sales pipeline connected battery and a 14% interest in a 40 MMcf/day gas plant. The battery has approximately 10,000 bbls/day of condensate capacity and includes 20,000 bbls of condensate storage.

Tidewater plans to assign long term processing fee arrangements at market rates to the acquired upstream assets flowing through the acquired infrastructure. The upstream assets have a decommissioning liability of approximately \$40 million and following the close of the Deep Basin and Montney Acquisition, Tidewater intends to market the upstream assets through a public sales process. The Deep Basin and Montney Assets have an estimated present-day replacement value of greater than \$800 million.

Concurrent with the Deep Basin and Montney Acquisition, Tidewater has entered a ten-year reserve dedication with a producer whereby Tidewater also has the right to utilize the producer's unutilized capacity in large diameter pipelines and realize 90% of the related benefit. The Company plans to utilize the large diameter pipelines and rail connected natural gas processing facility as a backbone for establishing a Tidewater natural gas and natural gas liquids network. Over the next three to five years, Tidewater plans to interconnect its Montney and Deep Basin core areas, including the Company's flagship Brazeau River deep cut, gas processing, fractionation and storage facility (the "BRC"), and provide egress options for both Montney and Deep Basin producers. Additionally, Tidewater has interest from petrochemical partners to add petrochemical facilities at the rail connected, 600 MMcf/day gas plant and create a demand center for natural gas and natural gas liquids.

Tidewater sees significant synergies with its existing Brazeau assets including the ability to offer additional egress solutions to producers in the Deep Basin region. Tidewater also sees significant opportunities to reduce costs and increase throughput.

The acquired assets have been operated using industry best practices, which reflects the quality and dedication of the existing team operating the assets. Tidewater is delighted to welcome the existing operations team to the Company.

Wapiti Pipeline Acquisition

Tidewater has entered into an agreement to acquire an approximate 50% operated working interest in 200 km of 12-inch pipeline (the "Wapiti Pipeline") for total cash consideration of \$20 million. The Wapiti pipeline connects the vendor's (the "Wapiti Vendor") large recently discovered oil pool at Narraway through Wapiti and Kakwa where a portion of the volumes flow into Edson/Ansell.

The Wapiti Pipeline is strategic to Tidewater in that it will be a key connector pipeline between Tidewater's Montney and Deep Basin assets. The Wapiti Pipeline has the potential to connect to the Enbridge/Spectra system in British Columbia and could become strategic for Alberta Montney producers in the future.

The present-day replacement value of the acquired working interest in the pipeline and related infrastructure is greater than \$100 million and has the potential to offer Montney producers connectivity to an unrestricted zone as Tidewater works to transport Montney production down through the large diameter pipeline acquired in the Deep Basin and Montney Acquisition.

Concurrent with the Wapiti Pipeline acquisition the Wapiti Vendor has agreed to commit \$12 million in recompletions associated with production that would be dedicated to the Deep Basin and Montney

Acquisition and flow through the acquired 600 MMcf/day gas plant.

Transaction Highlights

Key transaction highlights include:

Attractive Acquisition Metrics: Tidewater has reached an agreement to acquire the assets at an implied valuation of approximately 5.1x 2018 EBITDA. The purchase price of \$51 million will be supported by a ten-year reserve dedication agreement, a \$12 million capital commitment and 2018 forecasted EBITDA of approximately \$10 million. The present-day replacement value of the assets is greater than \$900 million and the large diameter pipelines will create a backbone for Tidewater to build-out a large natural gas and NGL network through Western Canada.

Situated in two Top-tier Resource Plays: The Deep Basin Assets continue to see record activity around Ansell, Stolberg and Brazeau. The Wapiti Vendor also made a recent large oil discovery at Narraway and will be flowing the related natural gas volumes on the Wapiti Pipeline. There is also significant Montney activity offsetting the Wapiti Pipeline. The Montney Assets continue to see both significant drilling and land sale activity around Altares and Valhalla.

Committed Volumes: Approximately 60% of the EBITDA generated by the Acquisitions is expected to come from a ten-year reserve dedication with a producer. The Deep Basin and Montney Vendor, a large producer, has also signed processing agreements with Tidewater as part of the Deep Basin and Montney Acquisition.

Significant Growth and Optimization Opportunities: Near-term small-scale optimization opportunities to increase throughput and reduce costs are required with modest capital expenditures to increase current run rate EBITDA up to 2018 forecast. Additional larger scale investment opportunities are available including the ability to interconnect the Acquisitions and Tidewater's existing BRC infrastructure to offer producers various egress solutions not currently available in the Montney and Deep Basin regions.

The Acquisitions are expected to close in the fourth quarter of 2017 and are subject to standard closing conditions including the potential exercise of rights of first refusal on certain assets. An updated corporate presentation with additional details of the Acquisitions and a map of the acquired assets in relation to Tidewater's existing assets is available at <http://www.tidewatermidstream.com/investors>.

About Tidewater

Tidewater is traded on the TSX Venture Exchange under the symbol "TWM.V". Tidewater's business objective is to build a diversified midstream and infrastructure company in the North American natural gas and natural gas liquids ("NGL") space. Its strategy is to profitably grow and create shareholder value through the acquisition and development of oil and gas infrastructure. Tidewater plans to achieve its business objective by providing customers with a full service, vertically integrated value chain through the acquisition and development of oil and gas infrastructure including: gas plants, pipelines, railcars, trucks, export terminals and storage facilities.

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, the Acquisitions, use of credit facilities, the marketing of upstream assets, and plans for interconnecting networks and egress. These forward-looking statements are based on certain key assumptions regarding, our ability to execute on our business plan, the benefits derived from the Acquisitions, the use of credit facilities, the results from marketing of upstream assets, the execution of plans for interconnecting networks and egress, 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.

In this press release we have used the term EBITDA which is a non-GAAP measure. EBITDA is defined as income or loss before finance costs, taxes, depreciation and amortization.

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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