

Tidewater Midstream and Infrastructure Ltd. Announces Strategic Acquisitions and Establishment of Credit Facility

**CALGARY, ALBERTA--(Marketwired - November 2, 2015) -**

**THIS RELEASE IS INTENDED FOR DISTRIBUTION OUTSIDE THE UNITED STATES ONLY AND IS NOT AUTHORIZED FOR DISTRIBUTION WITHIN THE UNITED STATES**

Tidewater Midstream and Infrastructure Ltd. ("**Tidewater**" or the "**Corporation**") (TSX VENTURE:TWM) is pleased to announce that it has entered into two acquisition agreements with vendors (the "**Vendors**") to acquire a 100% working interest in a gas processing facility and related pipelines and infrastructure (the "**Gas Plant Acquisition**") for approximately \$17 million, as well as the acquisition of a retail propane business (the "**Retail Propane Acquisition**") for approximately \$5.2 million (collectively with the Gas Plant Acquisition, the "**Acquisitions**"). The Gas Plant Acquisition includes a five year propane supply deal with the vendor and creates significant synergies with the Retail Propane Acquisition. It is estimated that the Acquisitions will generate annualized EBITDA of approximately \$3.7 million resulting in an attractive acquisition multiple of approximately 6x EBITDA including related synergies identified by management.

The Acquisitions are consistent with Tidewater's strategy to acquire, optimize and integrate infrastructure throughout the NGL value chain while creating mutually beneficial relationships with producers. The five year propane supply deal will reduce operating expenses for producers while securing an attractive and stable market for a portion of Tidewater's propane volumes. Tidewater continues to evaluate numerous acquisition and consolidation opportunities throughout western Canada as well as export terminal opportunities.

Tidewater is also pleased to announce the establishment of a credit facility of \$70 million. Tidewater will continue to maintain a strong balance sheet and financial flexibility with a Debt to annualized EBITDA multiple of less than 1x post closing of the Acquisitions.

### **Acquisitions Overview**

The Gas Plant Acquisition consists of a 100% owned and operated 33 mmcf/d gas plant located in proximity to a long-life, low decline producing region with no current takeaway restrictions or market interruptions. The Gas Plant Acquisition is supported by a reserve dedication agreement and take or pay processing arrangements. Financing for the acquisition will be provided by a combination of cash on hand and utilization of the Corporations Credit Facility.

Financing for the Retail Propane Acquisition will be provided by approximately \$3.4 million of cash on hand and \$1.8 million of Tidewater shares. The share consideration to be paid in connection with the Retail Propane Acquisition is payable at a deemed price of \$1.567 per common share, equal to the volume weighted average trading price of common shares for the thirty day trading period ending on October 19, 2015. The Corporation will issue 1,168,156 common shares in satisfaction of the share consideration. All of the common shares issued

pursuant to the transaction will be subject to a four month statutory hold period from closing, as well as a contractually imposed six month escrow period. The shares issued in connection with the Retail Propane Acquisition will contain a holdback of approximately 438,000 common shares (\$685,000) and will be released if the forward 12 month EBITDA is equal to or greater than \$950,000. The Retail Propane Acquisition includes ten year propane supply contracts with gas stations throughout western Alberta. Tidewater will work to execute longer term contracts with remaining customers, including regional producers and other stakeholders. The share consideration is subject to final TSX Venture Exchange (“TSX-V”) acceptance.

## **Transaction Highlights**

Key transaction highlights include:

**Attractive Acquisition Metrics:** Tidewater anticipates the Acquisitions will generate annualized EBITDA of approximately \$3.7 million including related operational synergies. Based on a combined cost of approximately \$22.2 million, the Acquisitions represent an attractive implied valuation of 6x EBITDA. The EBITDA of \$3.7 million generated from the Acquisitions is supported by reserve dedications and/or long term agreements ranging from two to ten years. Further, Tidewater plans to utilize its marketing, rail and downstream market expertise to enhance near-term EBITDA generation.

**Significant Near-term Growth Opportunities:** Tidewater maintains the ability to implement small-scale optimization investment opportunities on the Acquisitions that can increase EBITDA with modest capital expenditures. Management has identified additional large-scale investment opportunities that can provide greater facility optimization and incremental EBITDA generation.

The Retail Propane Acquisition is expected to close promptly and the Gas Plant Acquisition is expected to close in mid-November and both are subject to standard closing conditions customary for a transactions of this nature, including the approval of the TSX-V.

## **Credit Facility**

Tidewater is also pleased to announce that it has entered into an agreement with National Bank Financial Inc. as Lead Arranger and Sole Bookrunner to establish a credit facility of \$70 million. ATB Financial will also act as lender under the credit facility.

## **Tidewater Overview**

Tidewater is a public company listed on the TSX-V that was formed to pursue the purchase, sale, and transportation of NGLs and related infrastructure throughout North America and export to overseas markets.

## Cautionary Notes

### *The Corporation's Business*

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 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, the Acquisitions and the Credit Facility. These forward-looking statements are based on certain key assumptions regarding, among other things: the closing of the Acquisitions, the Credit Facility, our ability to execute on our business plan for the assets; the receipt, in a timely manner, of regulatory and other required approvals for the Acquisitions and 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 measures. 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.

Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

#### *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.

Tidewater Midstream and Infrastructure Ltd.  
Joel A. MacLeod  
Chairman, President and Chief Executive Officer  
587-475-0210  
[jmacleod@tidewatermidstream.com](mailto:jmacleod@tidewatermidstream.com)

[www.tidewatermidstream.com](http://www.tidewatermidstream.com)