



TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. ANNOUNCES THIRD QUARTER 2016 RESULTS

CALGARY, November 15, 2016 - Tidewater Midstream and Infrastructure Ltd. (“**Tidewater**” or the “**Corporation**”) (TSXV: TWM) is pleased to announce that it has filed its unaudited condensed consolidated interim financial statements and Management’s Discussion and Analysis (“**MD&A**”) for the period ended September 30, 2016.

Highlights

- Tidewater maintained strong financial results in the third quarter of 2016, generating adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”)¹ of \$9.5 million, representing a 90% increase compared to \$5.0 million in the same quarter last year. Tidewater’s EBITDA is largely supported by take or pay contracts, which continued to mitigate the reduced throughput volumes the Corporation experienced in the second and third quarters of 2016. Tidewater’s third quarter results were impacted by TransCanada pipeline restrictions and maintenance, as well as downtime at the Corporation’s Alder Flats facility related to its regularly scheduled turnaround.
- Net earnings were \$2.4 million (\$0.01 per share) for the third quarter of 2016, compared to \$610,000 (\$0.00 per share) in the same period of 2015.
- Tidewater continued to diversify its customer base at the Brazeau River Complex (“BRC”) and began receiving gas from a new customer in October where Tidewater is also marketing the related NGLs.
- Tidewater began construction on its disclosed \$60 - \$65 million of capital projects which are expected to generate incremental annualized EBITDA of \$15 - \$16 million once the projects are fully commissioned at various stages in 2017. All capital projects currently remain on time and on budget. Reactivation of Tidewater’s Fort Saskatchewan Extraction Plant is also on track for late fourth quarter of 2016. Tidewater expects fourth quarter 2016

¹ Refer to “Non-GAAP and additional GAAP Measures”

Adjusted EBITDA to be in line with previously announced guidance of approximately \$11 - \$12 million.

- Phase I of Tidewater's TransCanada and Alliance connected infrastructure and related natural gas storage project continues to proceed on time and on budget with EBITDA commencing in early 2017. Tidewater expects to make a final investment decision on Phase II of the Montney infrastructure/egress hub in the next 30 days. Tidewater continues to have significant interest from several investment grade counter parties to contract the available capacity on a five-year basis.

Selected financial and operating information is outlined below and should be read with Tidewater's unaudited condensed interim 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 September 30,		Nine months ended September 30,		For the period from February 4, to September 30,
	2016	2015	2016	2015	2015
Total revenues	\$ 27,028	\$ 7,932	\$ 71,064	\$ 7,940	\$ 7,940
Income (loss) for the period	\$ 2,374	\$ 610	\$ 11,450	\$ (20)	\$ (20)
Earnings (loss) per common share – basic	\$ 0.01	\$ 0.00	\$ 0.05	\$ (0.00)	\$ (0.00)
Earnings (loss) per common share – diluted	\$ 0.01	\$ 0.00	\$ 0.04	\$ (0.00)	\$ (0.00)
EBITDA ¹	\$ 6,365	\$ 3,576	\$ 24,365	\$ 2,697	\$ 2,697
Adjusted EBITDA ²	\$ 9,523	\$ 5,022	\$ 26,103	\$ 4,779	\$ 4,779
Adjusted EBITDA per common share - basic and diluted ²	\$ 0.03	\$ 0.04	\$ 0.10	\$ 0.10	\$ 0.10
Total cash and cash equivalents	\$ 4,944	\$ 14,222	\$ 4,944	\$ 14,222	\$ 14,222
Total assets	\$ 493,685	\$ 246,171	\$ 493,685	\$ 246,171	\$ 246,171
Total acquisitions	\$ 23,582	\$ 188,400	\$ 171,400	\$ 188,400	\$ 188,400
Total capital expenditures	\$ 9,465	\$ 254	\$ 16,251	\$ 1,373	\$ 1,373
Bank debt	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-current financial liabilities	\$ 99,871	\$ 41,099	\$ 99,871	\$ 41,099	\$ 41,099
Working capital surplus	\$ 21,900	\$ 23,585	\$ 21,900	\$ 23,585	\$ 23,585
Cash flow from operating activities ³	\$ 9,233	\$ 4,828	\$ 25,197	\$ 4,583	\$ 4,583
Cash flow from operating activities per common share – basic and diluted ³	\$ 0.03	\$ 0.04	\$ 0.10	\$ 0.09	\$ 0.09
Distributable cash flow ⁴	\$ 8,824	\$ 4,828	\$ 24,604	\$ 4,583	\$ 4,583
Distributable cash flow per common share – basic and diluted ⁴	\$ 0.03	\$ 0.04	\$ 0.10	\$ 0.09	\$ 0.09
Dividends declared	\$ 2,846	\$ 1,747	\$ 8,463	\$ 1,747	\$ 1,747
Dividends declared per common share	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.01
Total common shares outstanding (000s)	284,158	167,337	284,158	167,337	167,337
Total RSUs outstanding (000s)	5,574	2,468	5,574	2,468	2,468

Total Options outstanding (000s)	4,386	782	4,386	782
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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 12 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 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 period ended September 30, 2016. Adjusted EBITDA and Adjusted EBITDA per common share are not standard measures under GAAP. See “Non-GAAP Financial Measures” beginning on page 12 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 period ended September 30, 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 12 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 period ended September 30, 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 12 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.

Outlook

While AECO natural gas prices began to improve through the end of the third quarter, Tidewater continued to experience reduced volumes at some facilities as a result of producer shut-ins from the second quarter and natural production declines. Third quarter earnings were impacted by TransCanada restrictions and unplanned outages. Third quarter earnings were also affected by downtime at Tidewater’s Alder Flats facility related to its regularly scheduled turnaround. Tidewater has seen drilling activity increase in addition to an increase in throughput volumes through the beginning of the fourth quarter and expects overall throughput to return to historical levels through the end of the year and into 2017. Tidewater’s fourth quarter projections remain in line with previously disclosed guidance.

Tidewater continues to increase the volumes of NGLs it markets while offering improved netback pricing to producers.

Capital Program

Tidewater has commenced construction on its previously disclosed \$60 - \$65 million of approved capital projects 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 expects the Acheson rail facility to commence operations late in the first quarter of 2017 and the fractionation facility and turbo expander to come on line late in the second quarter of 2017. All projects remain on time and on budget.

Tidewater also remains on time and on budget for Phase I of its Montney infrastructure/egress hub in the Pipestone area. Tidewater continues to advance toward a final investment decision on Phase

II of the project and has received significant 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. The capital required to move the project forward is currently accounted for in Tidewater's total \$125 million capital budget previously announced through to the end of 2017. If approved, Tidewater expects to commence operations in the second quarter of 2018. The EBITDA generated from Tidewater's capital program is expected to be in line with the amount previously disclosed.

Tidewater continues to advance plans for polypropylene and/or iso-octane facilities and sees strong offtake demand from several investment grade customers with whom the Corporation has pre-existing relationships.

Tidewater remains fully capitalized to execute on its previously discussed organic growth opportunities while keeping leverage within a target range of 1.0-2.0x through the execution and commissioning of its capital program.

The Corporation also continues to evaluate other potential acquisitions and organic growth projects.

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 and 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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