Tidewater Midstream and Infrastructure Ltd.

Management's Discussion and Analysis

For the three and six month periods ended June 30, 2026

August 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the condensed interim consolidated financial and operating results of Tidewater Midstream and Infrastructure Ltd. and its subsidiaries ("Tidewater" or the "Corporation" when referring to the consolidated group, and "Tidewater Midstream" when referring to the legal entity) is dated August 12, 2026, and should be read in conjunction with Tidewater's unaudited condensed interim financial statements as at and for the three and six month periods ended June 30, 2026 and 2025 (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), representing generally accepted accounting principles ("GAAP"). This MD&A contains non-GAAP measures which are used to measure and analyze financial performance, financial position, and cash flow and therefore may not be comparable to similar measures presented by other entities. This MD&A also contains forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Tidewater's disclosure under "Non-GAAP Measures" and "Forward-Looking Information" included at the end of this MD&A. Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

Management is responsible for preparing the MD&A. The MD&A has been reviewed and recommended for approval by the Audit Committee of Tidewater Midstream's board of directors (the "Board") and approved by the Board.

BUSINESS OVERVIEW

Tidewater's business objective is to build a diversified midstream and infrastructure company across the North American gas processing, natural gas liquids ("NGL"), petroleum refining, and renewables markets. The Corporation's strategy is to profitably grow and create shareholder value by acquiring and building high quality, strategically located infrastructure. To achieve its business objective, Tidewater is focused on providing customers with a full service, vertically integrated value chain through the acquisition and development of energy infrastructure, including downstream facilities, natural gas processing facilities, natural gas liquids infrastructure, pipelines, storage, and various renewable initiatives. To complement its infrastructure asset base, the Corporation also markets crude oil, refined products, natural gas, NGLs and renewable products and services to customers across North America.

Tidewater's downstream assets supply refined products to a niche market and provide an asset base for renewables initiatives. The key downstream assets include the Prince George Refinery ("PGR"), the sole light oil refinery within the interior British Columbia ("BC") market, and the renewable diesel & renewable hydrogen complex ("HDRD Complex") owned by Tidewater Renewables Ltd ("Tidewater Renewables"). The PGR refines crude oil feedstock into gasoline and diesel and is where the Corporation's co-processing activities take place. The HDRD Complex is also located in Prince George, adjacent to the PGR.

Tidewater's key midstream assets include: the Brazeau River Complex and Fractionation Facility ("BRC"), a full-service natural gas and NGL processing facility with natural gas storage pools, and the Ram River Gas Plant, a sour natural gas processing facility with sulfur handling solutions and rail connections.

Tidewater's common shares are publicly traded on the Toronto Stock Exchange under the symbol "TWM".

Additional information relating to Tidewater is available on SEDAR+ at www.sedarplus.ca and at www.tidewatermidstream.com.

SECOND QUARTER HIGHLIGHTS

- Consolidated net income attributable to shareholders increased by $31.3 million, to $15.0 million during the second quarter of 2026, from a consolidated net loss attributable to shareholders of $16.3 million during the second quarter of 2025.

- Achieved record quarterly consolidated adjusted EBITDA(1) of $88.9 million for the three months ended June 30, 2026, compared to $16.0 million in the same period of 2025.

- The Corporation reduced consolidated net debt(2) by $41.9 million to $537.6 million from December 31, 2025, as the expansion in 2026 cash flows from strong operational margins continues to be directed toward debt reduction.

- Tidewater has increased its full-year consolidated adjusted EBITDA(1) guidance, which is now expected to be between $230.0 million and $250.0 million, from the previously disclosed $190.0 million and $210.0 million. This represents a 20% increase over the midpoint of the prior guidance, reflecting sustained strength in product margins amidst higher facility utilization, higher forward market crack spreads, and improved pricing for renewable diesel and emissions credits.

- On June 19, 2026, Tidewater Renewables executed a new initiative agreement (the "New Initiative Agreement") with the Government of British Columbia to provide additional BC LCFS Credits, further advancing its sustainable aviation fuel ("SAF") project toward a potential final investment decision ("FID").

- During the second quarter, Tidewater provided notice to terminate a crude oil pipeline transportation contract at the end of its initial five-year term. Termination of the contract is expected to improve annual adjusted EBITDA(1) and distributable cash flow(1) by approximately $3.0 million, beginning in January 2027.

SUBSEQUENT EVENTS

- On July 7, 2026, Tidewater Renewables and Natural Resources Canada executed a contribution agreement (the "Contribution Agreement") for the Biofuel Production Incentive ("BPI"). This represented the final administrative requirement following the conditional approval received on March 30, 2026. The Contribution Agreement secures total funding in line with the full annual production capacity of the HDRD Complex.

- Tidewater has secured a portion of its 2027 gross margins by entering into additional hedging agreements for approximately 40% of its 2027 crack-spread exposure and 20% of forecasted renewable diesel sales and associated feedstock purchases to mitigate commodity price volatility.

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(1) Non-GAAP financial measure. See the "Non-GAAP Measures" section of this MD&A.
(2) Capital management measure. See the "Non-GAAP Measures" section of this MD&A.

CONSOLIDATED AND DECONSOLIDATED FINANCIAL HIGHLIGHTS

In addition to reviewing consolidated results, management also reviews net income (loss) attributable to shareholders, net income (loss) attributable to shareholders per share, adjusted EBITDA, distributable cash flow attributed to shareholders, distributable cash flow attributed to shareholders per share, net debt, and capital expenditures, excluding the impact of the Corporation's ownership in Tidewater Renewables (referred to as "Tidewater Deconsolidated") to further evaluate financial results, financial position, leverage, and to calculate debt covenants. Tidewater Deconsolidated measures are non-GAAP measures. Readers should refer to the "Non-GAAP Measures" section of this MD&A for more information on the composition of these values.

	Three months ended June 30			
	Tidewater Deconsolidated [3]		Tidewater Consolidated	
(in millions of Canadian dollars except per share information)	**2026**	2025	**2026**	2025
Net income (loss) attributable to shareholders	**$ 11.6**	$ (23.7)	**$ 15.0**	$ (16.3)
Net income (loss) attributable to shareholders per share – basic [1]	**$ 0.53**	$ (1.10)	**$ 0.68**	$ (0.75)
Adjusted EBITDA [2]	**$ 32.9**	$ 5.2	**$ 88.9**	$ 16.0
Distributable cash flow attributable to shareholders [2]	**$ 26.8**	$ (9.3)	**$ 54.7**	$ (8.8)
Distributable cash flow per share – basic [1][2]	**$ 1.22**	$ (0.43)	**$ 2.50**	$ (0.41)
Net debt [4]	**$ 344.3**	$ 371.4	**$ 537.6**	$ 570.1
Total capital expenditures	**$ 2.7**	$ 2.5	**$ 3.8**	$ 4.9

(1) On August 28, 2025, the Corporation completed a share consolidation of the Tidewater Midstream common shares at a consolidation ratio of 20-for-1. As a result, the comparative periods have been retroactively restated to reflect the share consolidation.
(2) Non-GAAP financial measure. See the "Non-GAAP Measures" section of this MD&A.
(3) Deconsolidated results exclude the results of Tidewater Renewables. See the "Non-GAAP Measures" section of this MD&A for information on deconsolidated measures.
(4) Capital management measure. See the "Non-GAAP Measures" section of this MD&A.

	Six months ended June 30			
	Tidewater Deconsolidated [3]		Tidewater Consolidated	
(in millions of Canadian dollars except per share information)	**2026**	2025	**2026**	2025
Net loss attributable to shareholders	**$ (25.7)**	$ (55.4)	**$ (12.1)**	$ (48.1)
Net loss attributable to shareholders per share – basic [1]	**$ (1.18)**	$ (2.57)	**$ (0.56)**	$ (2.23)
Adjusted EBITDA [2]	**$ 58.5**	$ (0.9)	**$ 138.6**	$ 12.3
Distributable cash flow attributable to shareholders [2]	**$ 42.0**	$ (27.0)	**$ 82.0**	$ (29.6)
Distributable cash flow per share – basic [1][2]	**$ 1.93**	$ (1.25)	**$ 3.76**	$ (1.37)
Net debt [4]	**$ 344.3**	$ 371.4	**$ 537.6**	$ 570.1
Total capital expenditures	**$ 5.0**	$ 4.0	**$ 6.9**	$ 8.5

(1) On August 28, 2025, the Corporation completed a share consolidation of the Tidewater Midstream common shares at a consolidation ratio of 20-for-1. As a result, the comparative periods have been retroactively restated to reflect the share consolidation.
(2) Non-GAAP financial measure. See the "Non-GAAP Measures" section of this MD&A.
(3) Deconsolidated results exclude the results of Tidewater Renewables. See the "Non-GAAP Measures" section of this MD&A for information on deconsolidated measures.
(4) Capital management measure. See the "Non-GAAP Measures" section of this MD&A.

OUTLOOK AND CORPORATE UPDATE

Consolidated net income attributable to shareholders increased by $31.3 million, to $15.0 million during the second quarter of 2026, from a consolidated net loss attributable to shareholders of $16.3 million during the second quarter of 2025. The increase was primarily due to higher operating income, higher income from equity investments, and lower financing costs, offset in part by unfavorable changes in the fair value of derivative contracts and higher deferred tax expense.

Consolidated adjusted EBITDA[(1)] was a record $88.9 million in the second quarter of 2026 compared to $16.0 million in the same period of 2025. The increase was primarily due to a higher gross margin in the current period, largely due to increased sales volumes and prices for renewable diesel, higher crack spreads, and higher adjusted EBITDA from equity investments, offset in part by higher realized losses on derivative contracts and employee costs.

The first half of 2026 was marked with improving market conditions for refined fuel as a result of significant reductions in global refining capacity. The reduction in global refinery capacity has led to low refined products inventories and strong crack spreads. Tidewater anticipates it will take significant time for capacity to return to pre-2026 levels and rebuild global inventories. Amidst the geopolitical uncertainty, Tidewater remains well positioned to meet the critical energy needs of the interior B.C. region, and the broader Western Canadian market with gasoline and diesel produced at the PGR and the HDRD Complex.

Although crack spreads are expected to remain elevated for an extended period, current geopolitical uncertainty has resulted in ongoing volatility in the market prices for crude oil, diesel, and gasoline. To safeguard against significant price changes, the Corporation has entered into hedging agreements to protect a portion of refined product margins and cash flows from current market volatility. In addition, Tidewater anticipates that the recent introduction of the federal BPI, coupled with the proposed amendments to the CFR, will continue to improve the short to medium-term market conditions for Canadian refined products.

On January 7, 2026, Tidewater announced that it had entered into long-term agreements for gas handling and NGL supply and fractionation at the BRC. Under the agreements, Tidewater will process up to 75MMcf/d of natural gas (comprised of approximately 65MMcf/d and approximately 10MMcf/d of renewed and newly contracted volumes, respectively) at the BRC sourced from dedicated facilities, and will receive the marketing rights to the ethane, propane and butane derived from such processing, for initial terms of approximately five years which may continue thereafter on an evergreen basis. Tidewater will receive processing fees and NGL handling fees that are in line with current market rates and fixed for the term of the agreements, subject to annual inflationary increases.

On March 23, 2026, Tidewater Midstream made several amendments to its Senior Credit Facility (as defined herein). The amendments extended the maturity dates of the syndicated and operating components of the facility from September 12, 2026 to August 30, 2027, and revised the Tidewater Midstream financial covenant requirements beginning March 31, 2026, details of which are discussed further in the **LIQUIDITY AND CAPITAL RESOURCES** section of this MD&A.

During the three months ended June 30, 2026, Tidewater provided notice to terminate a crude oil pipeline transportation contract at the end of its initial five-year term. Termination of the contract is expected to

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(1) Non-GAAP financial measure. See the “Non-GAAP Measures” section of this MD&A.

improve annual adjusted EBITDA[(1)] and distributable cash flow[(1)] by approximately $3.0 million, beginning in January 2027.

Tidewater Renewables continues to advance its proposed 6,500 bbl/d SAF project in British Columbia. Optimization work on the project has now been completed, which was partially funded by the emission credits received under the previously disclosed September 2025 amended initiative agreement (the "Amended Initiative Agreement").

On June 19, 2026, Tidewater Renewables executed the New Initiative Agreement with the Government of British Columbia, providing for additional BC LCFS Credits. These new BC LCFS Credits are intended to support advancing critical pre-FID activities of the proposed facility and mitigate execution risk. Consequently, the pre-FID activities are expected to represent the main focus of Tidewater Renewables' growth capital expenditures for the remainder of 2026, helping the Corporation advance toward a potential FID, currently targeted for the fourth quarter of 2026. These pre-FID activities are expected to allow Tidewater Renewables to preserve project schedule certainty, maintain vendor and fabrication capacity availability, mature engineering deliverables, support regulatory advancement and position the project for efficient execution following the potential FID approval. Tidewater Renewables expects to receive emission credits in connection with completing the first of two milestones outlined in the New Initiative Agreement in the third quarter of 2026, with the remaining credits expected to be received in the fourth quarter of 2026.

Tidewater's efforts to optimize its asset portfolio and divest non-core assets are ongoing. The Corporation is in discussions with multiple parties regarding potential transactions and remains on track to achieve its previously disclosed non-core asset sale target.

Canadian regulatory developments

As previously disclosed, Tidewater Renewables formally submitted its application for the BPI in January 2026 and received conditional approval on March 30, 2026. The Corporation is pleased to report that subsequent to the end of the period, on July 7, 2026, Tidewater Renewables successfully executed the Contribution Agreement. With this final milestone achieved, total available funds under the program are confirmed to be in line with HDRD Complex's total annual production capacity.

Management anticipates receiving both the first and second quarter program payments in the third quarter of 2026, with subsequent BPI contributions expected to be received quarterly in arrears, providing a consistent and meaningful boost to the HDRD Complex's economics, liquidity, and overall profitability throughout the duration of the program's incentive window.

Hedging program

To further protect Tidewater's financial position, management has continued its proactive hedging program. As previously disclosed, the Corporation has hedged approximately 50% of PGR crack spread exposure and 50% renewable diesel (and attached emission credit) sales and associated feedstock purchases for the balance of 2026.

Looking ahead to 2027, subsequent to June 30, 2026, the Corporation has extended this strategy by securing further hedges for approximately 40% of 2027 PGR crack spread exposure and 20% of Tidewater Renewables' anticipated 2027 renewable diesel (and attached emission credit) sales and associated feedstock purchases, both at fixed prices significantly above the 2026 hedged pricing.

[(1)] Non-GAAP financial measure. See the "Non-GAAP Measures" section of this MD&A.

By utilizing these derivative instruments, the Corporation has reduced its commodity price exposure and established a baseline for both its 2026 and 2027 cash flows.

CAPITAL PROGRAM

Tidewater's 2026 consolidated capital program prioritizes maintaining safe and reliable operations in addition to focusing on the long-term integrity and efficiency of the Corporation's asset base. Capital spending during the second quarter of 2026 was $3.8 million.

The main expenditures under Tidewater Renewables' 2026 growth capital program have primarily focused on the optimization work conducted on its proposed 6,500 bbl/d SAF project in British Columbia. For the remainder of 2026, expenditures are expected to pivot toward critical pre-FID activities, which will be partially funded by credits under the New Initiative Agreement. The SAF project is being developed under a joint development agreement with Tidewater Midstream, whereby both parties have the right to participate in up to 50% of the project upon a final FID.

The SAF front-end engineering design work is complete, and the subsequent optimization work on the project has also been completed, which was partially funded through the previously disclosed Amended Initiative Agreement. Tidewater Renewables is actively pursuing long-term offtake agreements for the SAF product expected to be produced and continues to see significant interest in supporting future SAF developments, as well as other renewable fuel and renewable gas initiatives, from various provincial and federal governments.

While Tidewater Renewables remains optimistic about the SAF project's potential, the decision to proceed with the SAF project remains contingent upon the execution of long-term offtake agreements, and provincial and federal government regulatory support to facilitate obtaining committed financing.

2026 GUIDANCE UPDATE

Tidewater has increased its 2026 adjusted EBITDA guidance to reflect the strong operational performance year-to-date, and a constructive outlook for conventional and renewable refined product margins for the balance of the year.

Tidewater's 2026 updated consolidated adjusted EBITDA(1) guidance is $230.0 million to $250.0 million, higher than the previously disclosed range of $190.0 million to $210.0 million. Tidewater's 2026 full-year consolidated capital program remains unchanged and is expected to range between $20.0 million and $25.0 million.

The updated guidance is driven by higher forward market crack spreads, improved pricing for renewable diesel and emissions credits, and increased demand for conventional and renewable diesel amidst reductions in global refinery capacity and supported by higher facility utilization at the PGR and the HDRD Complex. In the current environment realized and forward refined product pricing has outpaced increases in feedstock costs, leading to stronger margins than previously anticipated.

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(1) Non-GAAP financial measure. See the "Non-GAAP Measures" section of this MD&A.

(in millions of Canadian dollars)	2026 Prior Tidewater Consolidated Guidance	**2026 Revised Tidewater Consolidated Guidance**
Adjusted EBITDA(1)	$190.0 - $210.0	**$230.0 - $250.0**
Capital expenditures (2)	$20.0 - $25.0	**$20.0 - $25.0**

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Measures" section of this MD&A.

(2) Capital expenditures are presented net of capital emission credits.

Tidewater Renewables has also revised its 2026 adjusted EBITDA guidance. In addition to benefitting from the improved pricing environment, as previously disclosed, the U.S. Environmental Protection Agency finalized the Renewable Volume Obligations regulatory framework on March 27, 2026. This framework underpinned the intrinsic value of D4 RINs and broader market tightness during the second quarter, reinforcing the U.S. import parity benchmark pricing utilized in a significant portion of Tidewater Renewables' offtake agreements. All other operational guidance metrics, including sales volume and 2026 capital expenditure targets, remain unchanged for Tidewater Renewables as it continues to prioritize debt reduction and operational optimization.

(in millions of Canadian dollars, unless otherwise stated)	2026 Prior Tidewater Renewables Guidance	**2026 Revised Tidewater Renewables Guidance**
Adjusted EBITDA(1)	$100.0 - $110.0	**$130.0 - $140.0**
Sales volume (MM litres)	150.0 – 170.0	**150.0 – 170.0**
Capital expenditures(2)	$2.0 - $3.0	**$2.0 - $3.0**

(1) Non-GAAP financial measure. Refer to the "Non-GAAP Measures" section of this MD&A

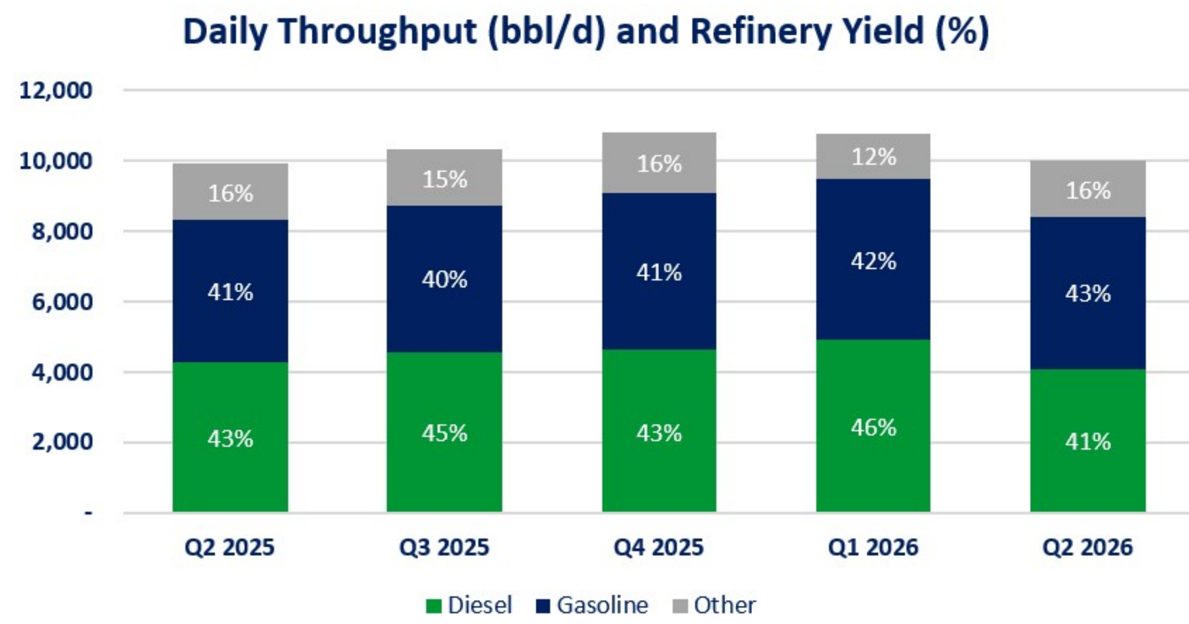
(2) Capital expenditures are presented net of capital emission credits.

Prince George Refinery

The PGR is a 12,000 bbl/d light oil refinery that predominantly produces low sulfur diesel and gasoline to supply interior and northern BC. The PGR has significant onsite storage capacity of more than 1.0 MMbbl and flexible logistics, with pipeline, rail, and truck connectivity.

During the second quarter of 2026, utilization at the PGR was 10,032 bbl/d, or 84% of design capacity, compared to 10,784 bbl/d, or 90% of design capacity, during the first quarter of 2026 and 9,942 bbl/d, or 83% of design capacity, during the second quarter of 2025. Scheduled equipment cleaning and maintenance was completed in April 2026, during which the PGR took a planned 17-day partial facility outage, and ran at reduced rates during the ramp-up/down days preceding and following the outage. Normalized utilization, which excludes the impact of the scheduled outage, was 12,060 bbl/d, or 101% of design capacity. Normalized utilization levels have increased from the first quarter of 2026 as a result of operational efficiencies achieved following the maintenance and heat exchanger cleaning work completed in April. Normalized utilization levels have increased from the second quarter of 2025 as the comparative period was impacted by higher density feedstock that required operational and feedstock-composition adjustments prior to processing.

Tidewater's daily throughput and refined product yields at the PGR were as follows:



Tidewater's refining margins are impacted by the difference between the price of refined product and the price of feedstock ("crack spread") as well as wholesale discounts. Refining margins are also subject to seasonal factors as production changes to match seasonal demand.

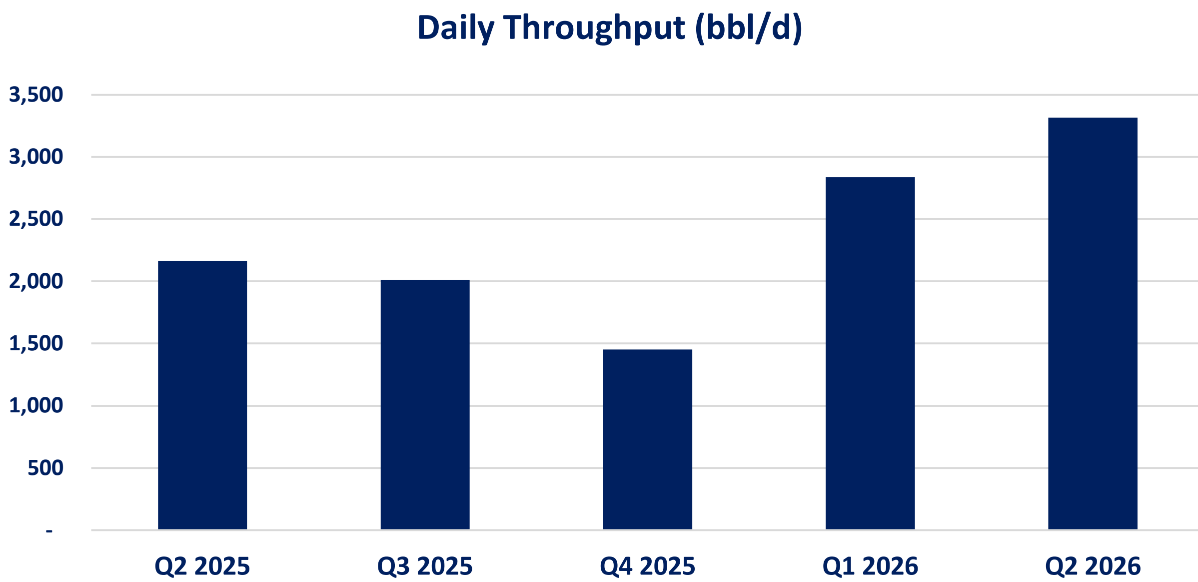
The Prince George crack spread averaged $118/bbl during the second quarter of 2026, a 16% increase from the first quarter of 2026 and a 39% increase from the second quarter of 2025. The increase from both the first quarter of 2026 and second quarter of 2025 was largely the result of higher market prices for diesel and gasoline offset by higher crude oil feedstock cost, due to global energy supply disruptions and the reduction of global refining capacity since the end of February 2026. The ongoing geopolitical conflict has generated persistent commodity price volatility. In response, the Corporation has hedged approximately 50% of crack spread exposure between July and December 2026 to manage commodity price volatility. Subsequent to the period, the Corporation further hedged 40% of its crack spread exposure for 2027.

Gasoline sales volumes in the second quarter of 2026 were higher than both the first quarter of 2026 and second quarter of 2025. The increase from the first quarter of 2026 was largely due to higher demand going into the summer driving season. The second quarter of 2025 had lower sales as the aforementioned reduced throughput limited the quantity of refined products produced at the PGR during that period.

Diesel sales volumes in the second quarter of 2026 were higher than in the first quarter of 2026. Lower sales in the first quarter of 2026 were due to inventory being built for the scheduled April facility outage discussed above. Diesel sales volumes in the second quarter of 2026 were lower than in the second quarter of 2025. Higher diesel inventory was available during the second quarter of 2025, leading to higher sales in the comparative period.

HDRD Complex

Tidewater Renewables' HDRD Complex is Canada's first standalone renewable diesel facility and is located adjacent to the PGR. The HDRD Complex is designed to process 3,000 bbl/d of renewable feedstock and utilizes renewable hydrogen to reduce the carbon intensity ("CI") of the renewable fuel it produces. Daily throughput at the HDRD Complex was as follows:



During the second quarter of 2026, the HDRD Complex achieved an average utilization rate of 3,315 bbl/d, or 111% of design capacity, compared to 2,164 bbl/d, or 72% of design capacity, during the same period in the prior year. During the six months ended June 30, 2026, the HDRD Complex achieved an average utilization rate of 3,076 bbl/d, or 103% of design capacity, compared to 2,201 bbl/d, or 73% of design capacity, in the same period of 2025. The higher throughput across both periods reflects robust facility reliability and targeted facility debottlenecking initiatives, which collectively enabled the HDRD Complex to consistently operate above nameplate capacity. Utilization in the prior year comparative periods was adversely impacted by a minor fire incident on April 1, 2025, severe weather-related rail logistics challenges and softer Canadian renewable diesel demand.

Brazeau River Complex and Fractionation Facility

The BRC offers a full suite of services to producers, including 180 MMcf/d of deep cut natural gas processing capacity, NGL and condensate pipeline connections, NGL fractionation capacity, truck loading and offloading facilities, physical natural gas storage facilities, and two natural gas transportation connections.

The BRC gas processing facility had throughput of 105 MMcf/d in the second quarter of 2026, 9 MMcf/d lower than 114 MMcf/d during the first quarter of 2026, and 10 MMcf/d higher than 95 MMcf/d during the second quarter of 2025. The slightly lower throughput from the first quarter of 2026 was primarily due to producer constraints that limited the volumes coming though the facility. The increase from the second quarter of 2025 was primarily due to the long-term gas handling and NGL supply agreements announced in January 2026, offset in part by lower straddle volumes coming through the facility.

The BRC fractionation facility utilization averaged 76% in the second quarter of 2026, compared to 90% in the first quarter of 2026 and 85% in the second quarter of 2025. The decrease in utilization from the first quarter of 2026 was primarily due to lower trucked-in volumes. The decrease in utilization from the second quarter of 2025 was primarily due to lower trucked-in volumes offset in part by higher producer inlet volumes at the BRC gas plant. Utilization of the BRC fractionation facility may vary as it is dependent on a combination of natural gas processing rates and associated NGL recoveries, in addition to truck-in supply.

Ram River Gas Plant

Tidewater has a 95% operated working interest in the Ram River Gas Plant, a rail-connected sour natural gas processing facility with sulfur handling facilities located in the Strachan region in west central Alberta.

On January 7, 2025, management made the decision to temporarily lay-up the Ram River Gas Plant, including sulfur handling activities, in order to manage ongoing operating costs and to allow for gas prices to recover and producer gas flow to resume. Despite sulfur handling operations returning to service late in the first quarter of 2025, the gas plant remains offline. Management believes the commodity pricing outlook has improved significantly and intends to restart the facility when gas flow from producers restarts.

RESULTS OF OPERATIONS

Results overview

(in millions of Canadian dollars except per share and percentage information)	Three months ended June 30, **2026**	Three months ended June 30, 2025	Six months ended June 30, **2026**	Six months ended June 30, 2025
Revenue	**$ 552.1**	$ 340.6	**$ 937.7**	$ 650.5
Operating expenses	**$ 441.1**	$ 325.0	**$ 768.7**	$ 631.3
General and administrative	**$ 8.4**	$ 3.1	**$ 17.6**	$ 9.9
Share-based compensation	**$ 1.1**	$ 1.5	**$ 2.2**	$ 2.8
Depreciation	**$ 15.9**	$ 15.3	**$ 30.7**	$ 30.3
Finance costs and other	**$ 10.6**	$ 19.5	**$ 26.2**	$ 36.2
Realized loss on derivative contracts	**$ 24.2**	$ 5.0	**$ 28.5**	$ 11.5
Unrealized loss (gain) on derivative contracts	**$ 39.5**	$ (15.1)	**$ 71.8**	$ (19.6)
(Gain) loss on sale of assets	**$ (0.4)**	$ -	**$ 3.3**	$ 0.1
Income from equity investments	**$ (8.5)**	$ (1.5)	**$ (13.1)**	$ (8.1)
Transaction costs	**$ -**	$ 0.1	**$ -**	$ 0.3
Deferred income tax expense	**$ 3.4**	$ -	**$ 6.8**	$ -
Net income (loss) attributable to shareholders	**$ 15.0**	$ (16.3)	**$ (12.1)**	$ (48.1)
Basic net income (loss) attributable to shareholders per share(1)	**$ 0.68**	$ (0.75)	**$ (0.56)**	$ (2.23)
Diluted net income (loss) attributable to shareholders per share(1)	**$ 0.56**	$ (0.75)	**$ (0.56)**	$ (2.23)
Net cash provided by operating activities	**$ 70.4**	$ 47.8	**$ 76.5**	$ 33.1
Total common shares outstanding (millions)(1)	**21.9**	21.6	**21.9**	21.6
Total consolidated assets	**$ 1,168.8**	$ 1,111.7	**$ 1,168.8**	$ 1,111.7

(1) On August 28, 2025, the Corporation completed a share consolidation of the Tidewater Midstream common shares at a consolidation ratio of 20-for-1. As a result, the comparative periods have been retroactively restated to reflect the share consolidation.

Revenue

Revenue for the three months ended June 30, 2026 increased by $211.5 million, to $552.1 million, from $340.6 million during the three months ended June 30, 2025. For the six months ended June 30, 2026, revenue increased by $287.2 million, to $937.7 million, from $650.5 million during the same period in 2025.

The increase during both periods was primarily due to higher sales volumes of renewable diesel and attached emission credits, a higher average sales price for conventional and renewable diesel, higher sales volumes and a higher average sales price for gasoline, increased crude oil marketing activities, higher revenue from sulfur processing and sales, and increased gas processing at the BRC. The increases were offset slightly by lower sales volumes of conventional diesel. Higher diesel inventory was available during the first half of 2025, the sale of which contributed to additional revenue in the comparative periods.

During the three months ended June 30, 2026, net throughput volumes at Tidewater's natural gas processing and extraction facilities averaged 177 MMcf/d, a 2% increase compared with 173 MMcf/d in the same period of 2025. During the six months ended June 30, 2026, net throughput volumes at Tidewater's natural gas processing and extraction facilities averaged 181 MMcf/d, a 3% increase compared with 175 MMcf/d in the same period of 2025. The increase in both periods was primarily due to higher throughput from the long-term gas handling and NGL supply agreements at the BRC announced in January 2026, offset in part by the absence of volumes from the Sylvan Lake Gas Processing Facility which was sold during the fourth quarter of 2025.

Operating expenses

Operating expenses were $441.1 million for the three months ended June 30, 2026, an increase of $116.1 million, from $325.0 million during the three months ended June 30, 2025. For the six months ended June 30, 2026, operating expenses were $768.7 million, an increase of $137.4 million from $631.3 million in the same period of 2025. The increase in both periods was primarily due to higher crude oil marketing activities, higher feedstock prices, and increased throughput at the PGR and the HDRD Complex resulting in higher feedstock consumption, partially offset by $13.8 million of year-to-date expected proceeds from the BPI. Also offsetting the increase in operating costs was the absence of net tolls paid to Pembina (as defined herein) between the Western Pipeline Transaction effective date of January 1, 2025 and June 30, 2025. The net tolls paid during 2025 were reimbursed to Tidewater as part of the closing adjustments for the Western Pipeline Transaction.

Tidewater Renewables became eligible for the BPI starting January 1, 2026, following the formal launch and the subsequent conditional approval of the application, with the Contribution Agreement subsequently executed on July 7, 2026. The incentive recognized in the three and six month periods ending June 30, 2026, reflects an incentive rate of $0.16 per litre on eligible renewable diesel production and sales from the HDRD Complex. As the BPI program was not in effect during the 2025 year, there was no comparable amount in the prior year period.

General and administrative

General and administrative expenses for the three and six months ended June 30, 2026, were $8.4 million and $17.6 million, respectively, compared to $3.1 million and $9.9 million for the three and six months ended June 30, 2025, respectively. The increase in both periods was primarily due to higher employee expenses.

Share-based compensation

For the three months ended June 30, 2026, share-based compensation costs were $1.1 million compared to $1.5 million for the three months ended June 30, 2025. The decrease was primarily driven by the timing of certain annual grants under the long-term incentive plans, which were granted during the first quarter of 2026 but were not granted until the second quarter of 2025. Share-based compensation costs of $2.2 million for the six months ended June 30, 2026, compared to $2.8 million during the six months ended June 30, 2025. The decrease was largely due to a lower number of incentive awards granted in the first quarter of 2026 as compared to the corresponding prior period.

Depreciation

Depreciation expense for the three and six months ended June 30, 2026, was $15.9 million and $30.7 million, respectively, compared to $15.3 million and $30.3 million for the three and six months ended June 30, 2025, respectively. The increase in both periods is primarily due to the acquisition of Western Pipeline in the third quarter of 2025.

Finance costs and other

Finance costs and other for the three and six months ended June 30, 2026, were $10.6 million and $26.2 million, respectively, compared to $19.5 million and $36.2 million in the same periods of 2025, respectively. The decrease in both periods was largely due to the recognition of a $5.3 million non-cash gain on the difference between the carrying value of the estimated government grant repayment amount at March 31, 2026, and the fair value of repayment obligation under the May 29, 2026, repayment agreement with the Government of Alberta. Also contributing to the decrease were lower non-cash financing costs and gains on foreign exchange in the current periods. Additionally, the six months ended June 30, 2026, benefitted from lower interest expense on the Tidewater Midstream Senior Credit Facility primarily due to lower average debt drawn and lower interest rates.

Finance costs and other includes interest on the Senior Credit Facilities, second lien debt, convertible debentures, as well as other bank fees and financing costs, and non-cash interest expenses. Non-cash interest expenses include unrealized foreign exchange gains or losses, and accretion expense on the Corporation's decommissioning obligations, lease liabilities and long-term debt.

Realized loss on derivative contracts

The realized loss on derivative contracts for the three months ended June 30, 2026, was $24.2 million compared to a realized loss of $5.0 million in the same period of 2025. The realized loss during the three months ended June 30, 2026, was primarily related to the settlement of crack spread, vegetable oil, refined product, D4 RIN, California LCFS, and power derivative contracts.

During the six months ended June 30, 2026, the realized loss on derivative contracts was $28.5 million compared to a realized loss of $11.5 million in the same period of 2025. The realized loss during the six months ended June 30, 2026, largely related to the settlement of crack spread, vegetable oil, refined product, D4 RIN, and California LCFS derivative contracts.

The realized losses during the three and six months ended June 30, 2025, largely related to the settlement of vegetable oil derivative contracts.

Realized gains and losses result from the cash settlement of derivative contracts at the market price of the commodity being hedged in relation to the fixed derivative contract price. Generally, realized gains and losses on derivative contracts resulting from fluctuations in market prices are partially offset by an inverse gain or loss on physical product purchases and sales.

Unrealized loss (gain) on derivative contracts

The unrealized non-cash loss on derivative contracts for the three months ended June 30, 2026, was $39.5 million compared to an unrealized non-cash gain of $15.1 million for the three months ended June 30, 2025. The non-cash loss in the current period was primarily due to fluctuations in refined product, D4 RIN, California LCFS, and vegetable oil derivative contracts. The unrealized gain in the comparative period was driven by fluctuations in vegetable oil and power derivative contracts.

During the six months ended June 30, 2026, Tidewater recorded an unrealized non-cash loss on derivative contracts of $71.8 million, compared to an unrealized non-cash gain of $19.6 million during the same period in 2025. The non-cash loss in the current period was primarily due to fluctuations in crack spread, power, refined product, D4 RIN, California LCFS, and vegetable oil derivative contracts, while the non-cash gain in the comparative period was largely due to fluctuations in vegetable oil and power derivative contracts.

In addition, unrealized non-cash revaluation losses of $14.0 million and $19.3 million for the three and six months ended June 30, 2026, respectively, compared to a non-cash revaluation gain of $1.7 million and a non-cash revaluation loss of $2.8 million for the same periods in 2025, respectively, were recognized on the revaluation of Tidewater Renewables' warrant liability to fair value. Changes in the fair value of the warrants are influenced by movements in Tidewater Renewables' share price, volatility assumptions, and other market-based inputs.

The fair value of a derivative contract is the estimated value to settle the outstanding contracts at a point in time. The unrealized gains or losses on these financial instruments are recorded in the statement of net income and comprehensive income and may fluctuate quarter-over-quarter with price volatility. Unrealized gains and losses on derivative contracts do not impact net cash provided by operating activities or distributable cash flow. Actual gains or losses realized on the eventual cash settlement can vary due to subsequent fluctuations in commodity prices as compared to the valuation assumptions.

Gain on sale of assets

During the second quarter of 2026, Tidewater recognized a gain on sale of assets of $0.4 million related to the disposal of certain non-core assets in the quarter.

Income from equity investments

During the three and six months ended June 30, 2026, Tidewater Renewables' equity investment in Rimrock Cattle Company Ltd. generated income of $8.5 million and $13.1 million, respectively, compared to income of $1.5 million and $8.1 million during the three and six months ended June 30, 2025, respectively. The increase for both periods was primarily driven by increased cattle sales volume, higher non-cash unrealized gains resulting from a mark-to-market revaluation of the cattle inventory, and higher realized gains on derivative contracts, as compared to the same periods in the prior year.

Deferred income tax expense

During the three and six months ended June 30, 2026, the Corporation recognized deferred income tax expense of $3.4 million and $6.8 million, respectively, compared to $NIL during both comparative periods of 2025. The deferred tax expense primarily relates to the utilization of available tax pools in Tidewater Renewables against taxable income generated during the period.

Net income (loss) attributable to shareholders

During the three months ended June 30, 2026, Tidewater generated net income attributable to shareholders of $15.0 million compared to a net loss attributable to shareholders of $16.3 million for the three months ended June 30, 2025. During the six months ended June 30, 2026, Tidewater generated a net loss attributable to shareholders of $12.1 million compared to a net loss attributable to shareholders of $48.1 million for the six months ended June 30, 2025. The increase for both periods was primarily due to higher operating income, higher income from equity investments, and lower financing costs, offset in part by unfavorable changes in the fair value of derivative contracts and higher deferred tax expense.

Capital Expenditures

The following table summarizes growth and maintenance capital expenditures for the three and six months ended June 30, 2026 and 2025:

(in millions of Canadian dollars)	Three months ended June 30, **2026**	2025	Six months ended June 30, **2026**	2025
Growth capital [1]	**$ 1.4**	$ 0.2	**$ 2.5**	$ 2.2
Maintenance capital [1]	**2.4**	4.7	**4.4**	6.3
Total capital expenditures	**$ 3.8**	$ 4.9	**$ 6.9**	$ 8.5
Capital emission credits awarded [2]	**$ -**	$ (1.3)	**$ (1.0)**	$ (2.5)

(1) Supplementary financial measure. See the “Non-GAAP Measures” section of this MD&A.

(2) During the three and six months ended June 30, 2026, $NIL capital emission credits were monetized (three and six months ended June 30, 2025 - $NIL and $1.3 million, respectively).

Growth capital

Consolidated growth capital expenditures for the three and six months ended June 30, 2026, were $1.4 million and $2.5 million, respectively, compared to $0.2 million and $2.2 million during the three and six months ended June 30, 2025, respectively. Expenditures during both current periods were primarily related to optimization work on the SAF project, which is expected to be partially funded through the Amended Initiative Agreement. Other growth capital expenditures during the three months ended June 30, 2026, were mainly for the addition of gas sweetening equipment at the BRC gas storage facilities. The six months ended June 30, 2026, also included expenditures related to piping and infrastructure work to connect renewable feedstocks from the HDRD Complex into the PGR FCC co-processing unit.

Growth capital expenditures during both comparative periods were primarily related to advancing front-end engineering design work on Tidewater Renewables’ SAF project.

Maintenance capital

Tidewater places a high priority on the maintenance of its assets to provide a safe operating environment for employees and reliable services to its customers. Maintenance capital expenditures of $2.4 million for the three months ended June 30, 2026, were primarily related to engine maintenance and instrument upgrades at the BRC. Maintenance capital expenditures of $4.4 million for the six months ended June 30, 2026, were primarily related to engine maintenance and instrument upgrades at the BRC, variable frequency drive enhancements on the Western Pipeline, and sulfur pit reactivation work at the Ram River Gas Plant.

Maintenance capital expenditures of $4.7 million and $6.3 million for the three and six months ended June 30, 2025, respectively, were largely related to various asset reliability projects at the BRC and pre-turnaround work at the HDRD Complex in preparation for the scheduled maintenance during the third quarter of 2025.

SUMMARY OF QUARTERLY RESULTS

The following table presents a summary of Tidewater's quarterly results for the last eight quarters:

(In millions of Canadian dollars, except per share information)	**Q2 2026**	Q1 2026	Q4 2025	Q3 2025
Revenue	**$ 552.1**	$ 385.6	$ 314.1	$ 353.9
Net income (loss) attributable to shareholders	**15.0**	(27.1)	(30.0)	(34.1)
Net income (loss) per share attributable to shareholders – basic [(1)]	**0.68**	(1.25)	(1.39)	(1.58)
Net income (loss) per share attributable to shareholders –diluted [(1)]	**0.56**	(1.25)	(1.39)	(1.58)
Consolidated adjusted EBITDA [(2)]	**$ 88.9**	$ 49.7	$ 3.0	$ 16.2

(1) On August 28, 2025, the Corporation completed a share consolidation of the Tidewater Midstream common shares at a consolidation ratio of 20-for-1. As a result, the comparative periods have been retroactively restated to reflect the share consolidation.
(2) Non-GAAP financial measure. See the "Non-GAAP Measures" section of this MD&A.

(In millions of Canadian dollars, except per share information)	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Revenue	$ 340.6	$ 309.9	$ 362.0	$ 377.7
Net loss attributable to shareholders	(16.3)	(31.8)	(3.3)	(7.3)
Net loss per share attributable to shareholders – basic and diluted [(1)]	(0.75)	(1.48)	(0.15)	(0.34)
Consolidated adjusted EBITDA [(2)]	$ 16.0	$ (3.7)	$ 20.0	$ 29.2

(1) On August 28, 2025, the Corporation completed a share consolidation of the Tidewater Midstream common shares at a consolidation ratio of 20-for-1. As a result, the comparative periods have been retroactively restated to reflect the share consolidation.
(2) Non-GAAP financial measure. See the "Non-GAAP Measures" section of this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Corporation's primary liquidity and capital resource needs are to fund ongoing capital expenditures, future growth opportunities, interest payments, and working capital requirements. Tidewater anticipates that net cash provided by operating activities, cash available from its Senior Credit Facilities, proceeds from the sale of emission credits, proceeds from the sale of non-core assets, and other sources of financing will be sufficient to meet its obligations and financial commitments and provide sufficient funding for anticipated capital expenditures.

The Corporation has hedged approximately 50% of crack spread exposure between July and December 2026 to manage commodity price volatility. Subsequent to June 30, 2026, the Corporation has further hedged approximately 40% of its 2027 crack spread exposure.

Tidewater Renewables' liquidity position is also supported by a proactive hedging program and disciplined commercial execution. Current hedging activities cover approximately 50% of its renewable diesel sales and associated feedstock purchases for the remainder of 2026, and 20% for 2027, locking in strong gross margins and reducing exposure to commodity price volatility. Furthermore, over 90% of 2026 forecasted renewable diesel production is committed under offtake agreements. The majority of these contracts utilize U.S. import parity pricing benchmarks, aligning realized prices with North American market values and ensuring consistent cash flow generation.

Tidewater Renewables' liquidity is also expected to be enhanced by the recently confirmed BPI funding. These federal incentive funds are expected to be received quarterly in arrears, providing a meaningful boost to the HDRD Complex's economics and overall profitability throughout the incentive window.

Debt Financing

The following table summarizes Tidewater's credit facilities and debt outstanding as at June 30, 2026:

(in millions of Canadian dollars)	Maturity Date	Rate		Facility Amount		**Amount Drawn**
Tidewater Midstream Senior Credit Facility	August 30, 2027	variable	$	292.2	**$**	**244.5**
Convertible debentures	June 30, 2029	fixed		100.0		**100.0**
Tidewater Midstream Total			$	392.2	**$**	**344.5**
Tidewater Renewables Senior Credit Facility	February 28, 2027	variable		40.0		**10.0**
Tidewater Renewables Second Lien Credit Facility	October 24, 2027	variable		183.9		**183.9**
Tidewater Renewables Total			$	223.9	**$**	**193.9**
Tidewater Consolidated			$	616.1	**$**	**538.4**

Tidewater Midstream and Tidewater Renewables each have a revolving credit facility (each a "Senior Credit Facility" and together, the "Senior Credit Facilities") with a syndicate of banks. The Corporation's Senior Credit Facilities are used to provide financing for working capital, to fund capital expenditures and acquisitions, and for other general corporate purposes. The Senior Credit Facilities and Tidewater Renewables' second lien credit facility (the " Second Lien Credit Facility") are not cross guaranteed, are not subject to cross defaults, nor are Tidewater Midstream and Tidewater Renewables consolidated for the purposes of covenant testing or availability.

The Corporation does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Corporation's financial performance. Credit facilities held by Tidewater's equity accounted investees are non-recourse to both Tidewater Midstream and Tidewater Renewables.

Tidewater Midstream

The following facilities are available to Tidewater Midstream under its Senior Credit Facility:

(in millions of Canadian dollars)		Facility Amount	Maturity Date		**Amount Drawn June 30, 2026**
Syndicated facility	$	125.0	August 30, 2027	**$**	**125.0**
Operating facility		50.0	August 30, 2027		**2.3**
Term facility [(1)]		117.2	August 30, 2027		**117.2**
Tidewater Midstream Senior Credit Facility	$	292.2		**$**	**244.5**

(1) The term facility is subject to mandatory quarterly repayments of $5.0 million. Amounts repaid on the term facility may not be re-borrowed.

The Tidewater Midstream Senior Credit Facility can be drawn in either Canadian or U.S. funds and bears interest at the agent bank's prime lending rate or adjusted Canadian Overnight Repo Rate Average

(“CORRA”) or Secured Overnight Financing Rate (“SOFR”), plus applicable margins and stamping fees. For further details on the Tidewater Midstream Senior Credit Facility, readers should refer to the Fifth Amended and Restated Credit Agreement between Tidewater Midstream and National Bank of Canada available on Tidewater Midstream’s profile on SEDAR+ at www.sedarplus.ca.

On March 23, 2026, Tidewater Midstream made several amendments to its Senior Credit Facility. The amendments revised the Tidewater Midstream financial covenant requirements beginning March 31, 2026, details of which are discussed further in the **Financial Covenants** section of this MD&A. Additionally, the March 23, 2026 amendments extended the maturity dates of the syndicated and operating components of the Tidewater Midstream Senior Credit Facility from September 12, 2026 to August 30, 2027.

On occasion, Tidewater Midstream issues letters of credit in connection with transactions in which the counterparty requires such security. As at June 30, 2026, the Corporation had $25.7 million in letters of credit issued to facilitate commercial transactions with third parties and to support regulatory requirements. The letters of credit are issued under separate facilities from the Senior Credit Facilities.

Tidewater Renewables

The Tidewater Renewables Senior Credit Facility can be drawn in Canadian funds and bears interest at the agent bank’s prime lending rate or adjusted CORRA or SOFR lending rates, plus applicable margins and stamping fees. For further details on the Tidewater Renewables Senior Credit Facility, readers should refer to the Fourth Amended and Restated Credit Agreement between Tidewater Renewables and National Bank of Canada available on Tidewater Renewables’ profile on SEDAR+ at www.sedarplus.ca.

In addition to its Senior Credit Facility, Tidewater Renewables has a Second Lien Credit Facility consisting of a tranche A facility in the aggregate principal amount of $155.1 million, a tranche B facility in the aggregate principal amount of $28.8 million, and a tranche C facility in the aggregate principal amount of $43.0 million which may only be drawn in certain circumstances to refinance the Senior Credit Facility.

The Tidewater Renewables Second Lien Credit Facility is subordinate to the Senior Credit Facility and is subject to a number of customary covenants and restrictions.

Financial Covenants

Tidewater Midstream

Tidewater Midstream is required to maintain certain deconsolidated financial covenants. The calculations for each of these ratios are based on specific definitions in the agreements governing the Tidewater Midstream Senior Credit Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to the Corporation’s consolidated financial statements. For purposes of the covenant calculation, Tidewater Midstream’s convertible debentures are excluded from the calculations. At June 30, 2026, Tidewater Midstream was in compliance with its financial covenants.

On March 23, 2026, the Tidewater Midstream Senior Credit Facility was amended to modify the financial covenant requirements for March 31, 2026, reverting back to the original financial covenant ratios applicable to its Senior Credit Facility for periods beginning June 30, 2026.

The covenant modifications were as follows:

Fiscal quarter ending	Deconsolidated debt to adjusted EBITDA ratio	Deconsolidated first lien senior debt to adjusted EBITDA ratio	Adjusted EBITDA to interest coverage ratio
March 31, 2026 (1)	Maximum 4.50:1	Maximum 4.50:1	Minimum 2.00:1
June 30, 2026, and beyond (1)	Maximum 4.00:1	Maximum 3.50:1	Minimum 2.50:1

(1) Covenant reporting at March 31, 2026, calculated based on three months annualized, at June 30, 2026, on six months annualized, at September 30, 2026, on nine months annualized, and December 31, 2026, and beyond, on the trailing-twelve months.

The following is a list of Tidewater Midstream's deconsolidated financial covenants as at June 30, 2026:

	Ratio	**June 30, 2026**
Deconsolidated debt to adjusted EBITDA (1)	Maximum 4.00:1	2.30
Deconsolidated first lien senior debt to adjusted EBITDA (2)	Maximum 3.50:1	2.30
Adjusted EBITDA to interest coverage	Minimum 2.50:1	4.04

(1) Deconsolidated debt includes the syndicated, operating, and term facilities under the Tidewater Midstream Senior Credit Facility and excludes the Tidewater Renewables Senior Credit Facility, Second Lien Credit Facility, and convertible debentures.

(2) Deconsolidated first lien senior debt includes the syndicated, operating, and term facilities under the Tidewater Midstream Senior Credit Facility and excludes the Tidewater Renewables Senior Credit Facility, Second Lien Credit Facility, and convertible debentures.

Tidewater Renewables

Tidewater Renewables is required to maintain certain deconsolidated financial covenants. The calculations for each of these ratios are based on specific definitions in the agreements governing Tidewater Renewables' Senior Credit Facility and the Second Lien Credit Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to Tidewater Renewables' financial statements. At June 30, 2026, Tidewater Renewables was in compliance with its financial covenants.

The following is a list of Tidewater Renewables financial covenants as at June 30, 2026:

	Ratio	**June 30, 2026**
Tidewater Renewables debt to adjusted EBITDA (1)(2)	Maximum 4.00:1	1.47
Adjusted EBITDA to interest coverage (2)	Minimum 2.50:1	9.43

(1) Debt to adjusted EBITDA ratio for fiscal quarter ending September 30, 2026, not greater than 3.50:1, for fiscal quarter ending December 31, 2026 and beyond, not greater than 3.00:1.

(2) Adjusted EBITDA for covenant reporting at June 30, 2026, on six months annualized, at September 30, 2026, on nine months annualized, and December 31, 2026, and beyond, on the trailing-twelve months. Interest is to be calculated on a trailing-twelve month basis.

Cash Flow Summary

The following table summarizes the Corporation's sources and uses of funds for the three and six months ended June 30, 2026 and 2025:

(in millions of Canadian dollars)	**Three months ended June 30,**		**Six months ended June 30,**	
Cash flows provided by (used in)	**2026**	2025	**2026**	2025
Operating activities	**$ 70.4**	$ 47.8	**$ 76.5**	$ 33.1
Financing activities	**$ (62.1)**	$ (39.6)	**$ (71.3)**	$ (46.7)
Investing activities	**$ (7.5)**	$ (8.0)	**$ (5.5)**	$ 13.8

Net cash provided by operating activities

Net cash provided by operating activities was $70.4 million for the three months ended June 30, 2026, compared to net cash provided by operating activities of $47.8 million for the three months ended June 30, 2025. For the six months ended June 30, 2026, net cash provided by operating activities was $76.5 million, compared to net cash provided by operating activities of $33.1 million for the six months ended June 30, 2025. The increase for both periods was primarily due to a higher gross margin offset in part by higher realized losses on derivative contracts and changes in working capital.

Net cash provided by operating activities will fluctuate quarter-over-quarter due to inventory balances at the PGR and the HDRD Complex, the commodity prices at which inventory is bought and sold, and seasonal demand. Commodity prices and inventory fluctuate period over period and, accordingly, working capital requirements also fluctuate with changes in commodity prices and demand.

Net cash used in financing activities

Net cash used in financing activities was $62.1 million for the three months ended June 30, 2026, compared to net cash used in financing activities of $39.6 million for the three months ended June 30, 2025. Net cash used in financing activities was $71.3 million for the six months ended June 30, 2026, compared to net cash used in financing activities of $46.7 million for the six months ended June 30, 2025. The change in both periods was primarily due to higher debt repayments on the Senior Credit Facilities. The cash used in financing activities for the six months ended June 30, 2026 was slightly offset by lower payments on lease obligations.

Net cash (used in) provided by investing activities

Net cash used in investing activities was $7.5 million for the three months ended June 30, 2026, compared to net cash used in investing activities of $8.0 million for the same period in 2025. The net cash used in investing activities in the current period was largely related to changes in working capital offset in part by capital expenditures for SAF optimization work, and various capital projects at the BRC. The net cash used in investing activities in the comparative period was largely related to maintenance projects at the BRC, pre-turnaround costs at the HDRD Complex, and changes in non-cash working capital.

Net cash used in investing activities was $5.5 million for the six months ended June 30, 2026, compared to net cash provided by investing activities of $13.8 million for the six months ended June 30, 2025. The net cash used in investing activities in the current period was largely related to capital expenditures for SAF optimization work, renewable feedstock connection work at the PGR, gas sweetening equipment at the BRC gas storage facilities, and capital maintenance projects on the Western Pipeline and at the BRC and Ram River Gas Plant, offset in part by changes in working capital. Net cash provided by investing activities in the comparative period was largely related to the proceeds from the sale of the BRC roadway network and the divestiture of Tidewater Renewables' investment in RNG LP, offset in part by changes in non-cash working capital, and expenditures for maintenance projects at the BRC and pre-turnaround work at the HDRD Complex.

CONTRACTUAL LIABILITIES AND COMMITMENTS

The Corporation had the following contractual obligations and commitments, including those recognized as leases, as at June 30, 2026:

(in millions of Canadian dollars)	Less than one year	One to five years	More than five years	Total
Accounts payable, accrued liabilities and provisions	$ 244.6	$ -	$ -	$ 244.6
Derivative contracts	54.7	1.2	-	55.9
Lease liabilities (1)	7.3	6.6	0.3	14.2
Other long-term liabilities (2)	1.1	4.3	15.7	21.1
Interest on other long-term liabilities (3)	0.6	1.9	3.1	5.6
Bank debt (4)	30.0	224.5	-	254.5
Second lien debt (4)	-	183.9	-	183.9
Convertible debentures interest (5)	8.0	16.0	-	24.0
Convertible debentures repayment (4)	-	100.0	-	100.0
Firm transportation contracts (6)	20.9	33.3	4.5	58.7
Total	**$ 367.2**	**$ 571.7**	**$ 23.6**	**$ 962.5**

(1) Amounts represent the expected undiscounted cash payments related to lease liabilities.
(2) Amounts represent undiscounted principal on the government grant and exclude accrued interest.
(3) Interest on the government grant repayment at the current Government of Alberta judgement interest rate.
(4) Amounts represent undiscounted principal only and exclude accrued interest.
(5) Fixed interest payments on the convertible debentures. The convertible debentures mature on June 30, 2029.
(6) Fixed transportation contracts are presented gross of flow-through operating cost recoveries from customers.

OUTSTANDING EQUITY

As at August 11, 2026, Tidewater Midstream had the following outstanding common shares, restricted share units (“RSUs”), deferred share units (“DSUs”) and stock options (“Options”):

(In thousands)	
Common shares	21,936
RSUs	918
DSUs	82
Options	898

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are in the normal course of business and are recorded at market rates.

For the three and six months ended June 30, 2026, Tidewater had no other transactions with related parties, except those pertaining to contributions to Tidewater’s long-term incentive plans and remuneration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

Tidewater’s financial instruments consist of cash and cash equivalents, accounts receivable, derivative contracts, investments, accounts payable and accrued liabilities, bank debt, second lien debt, convertible debentures, and other long-term liabilities. Tidewater employs risk management strategies and policies to ensure that any exposure to market risks are in compliance with the Corporation’s business objectives and risk tolerance levels.

The majority of Tidewater's accounts receivable are due from entities in the oil and gas industry and are subject to normal industry credit risks. Tidewater evaluates and monitors the financial strength of its customers in accordance with its credit policy. Financial assurances received to mitigate and reduce risk may include letters of credit and prepayments.

With respect to counterparties for financial instruments used for hedging purposes, the Corporation limits its credit risk through dealing with recognized futures exchanges or investment-grade financial institutions and by maintaining credit policies which minimize overall counterparty credit risk.

The Corporation enters into certain financial derivative contracts to manage commodity price, power, interest and foreign exchange risk. These instruments are not used for speculative purposes. The Corporation has not designated its financial derivative contracts as effective accounting hedges.

Derivative contracts are recorded on the consolidated statement of financial position at fair value, with changes in the fair value being recognized as an unrealized gain or loss on the consolidated statement of net income.

RISK FACTORS

The Corporation continually works to mitigate the impact of risks to its business by identifying all significant risks so that they can be appropriately managed. The risks that may affect the business and operations of Tidewater are described within the Corporation's Annual Information Form ("AIF"), a copy of which is available on Tidewater's SEDAR+ profile at www.sedarplus.ca. The Corporation's financial risks are discussed in the Financial Statements.

Additionally, Tidewater Midstream faces certain risks as the majority shareholder of Tidewater Renewables including, without limitation, liquidity risk, commodity price risk (including in respect of the markets for BC LCFS Credits, CFR Emission Credits, and other carbon credits, rebates, tax credits, grants and other incentives), equity risk, credit risk and risks related to changes in environmental regulations, economic, political or market conditions and the regulatory environment. Although Tidewater Midstream is able to exert some influence on Tidewater Renewables through its voting rights and a shared services agreement whereby the Corporation provides certain management and administrative services to Tidewater Renewables, the ability to mitigate these risks is not fully within Tidewater Midstream's control.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Certain accounting policies require that management make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results that differ materially from these estimates. The Corporation's use of estimates and judgments is discussed in note 2 of the audited consolidated financial statements for the year ended December 31, 2025, a copy of which is available on Tidewater's SEDAR+ profile at www.sedarplus.ca. There have been no material changes to the Corporations critical accounting estimates and judgements during the three and six months ended June 30, 2026.

CONTROL ENVIRONMENT

Management, including the Corporation's Chief Executive Officer and Chief Financial Officer, have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined by National Instrument 52-109 –

Certification of Disclosure in Issuers' Annual and Interim Filings. The control framework used to design the Corporation's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission Framework in Internal Control – Integrated Framework (2013). These controls and procedures are designed to provide reasonable assurance that material information relating to Tidewater's business is made known to them, is reported on a timely basis, that financial reporting is reliable, and the preparation of financial statements for external purposes is in accordance with IFRS.

There were no changes in the six months ended June 30, 2026, that had, or are likely to have, a material impact on the Corporation's DC&P or ICFR and management has evaluated the Corporation's DC&P and ICFR as at June 30, 2026 and concluded that both ICFR and DC&P were effective, in all material respects, as at such date.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable and not absolute assurance that the objectives of the control system will be met. As a result of inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Corporation have been prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Corporation's policies or procedures.

NON-GAAP MEASURES

Throughout this MD&A and in other materials disclosed by the Corporation, Tidewater uses a number of non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures when assessing its results and measuring overall performance. The intent of non-GAAP measures and ratios is to provide additional useful information to investors and analysts. These non-GAAP financial measures and ratios do not have standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities.

As such, these measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with GAAP. Except as otherwise indicated, these non-GAAP financial measures and ratios will be calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The following are the Corporation's non-GAAP financial measures, non-GAAP ratios, capital management measures, and supplementary financial measures.

Non-GAAP Financial Measures

The non-GAAP financial measures used by the Corporation are adjusted EBITDA and distributable cash flow.

Consolidated and deconsolidated adjusted EBITDA

Consolidated adjusted EBITDA is calculated as net income (loss) before finance costs, taxes, depreciation, share-based compensation, unrealized gains and losses on derivative contracts, transaction costs, gains and losses on the sale of assets, and other items considered non-recurring in nature, plus the Corporation's proportionate share of EBITDA in its equity investments. Deconsolidated adjusted EBITDA is calculated as consolidated adjusted EBITDA less the portion of consolidated adjusted EBITDA attributable to Tidewater Renewables.

In accordance with IFRS, Tidewater's jointly controlled investments are accounted for using equity accounting. Under equity accounting, net earnings from investments in equity accounted investees are recognized in a single line item in the consolidated statement of net income (loss) and comprehensive income (loss). The adjustments made to net income (loss), as described above, are also made to the share of profit from investments in equity accounted investees.

Consolidated adjusted EBITDA is used by management to set objectives, make operating and capital investment decisions, monitor debt covenants and assess performance. In addition to its use by management, Tidewater also believes consolidated adjusted EBITDA is a measure widely used by securities analysts, investors, lending institutions, and others to evaluate the financial performance of the Corporation and other companies in the midstream industry. From time to time, the Corporation issues guidance on this key measure. As a result, consolidated adjusted EBITDA is presented as a relevant measure in the MD&A to assist analysts and readers in assessing the performance of the Corporation as seen from management's perspective. In addition to reviewing consolidated adjusted EBITDA, management reviews deconsolidated adjusted EBITDA to highlight the Corporation's performance, excluding the portion of consolidated adjusted EBITDA attributable to Tidewater Renewables. Investors should be cautioned that consolidated adjusted EBITDA and deconsolidated adjusted EBITDA should not be construed as alternatives to net income (loss), net cash provided by operating activities or other measures of financial results determined in accordance with GAAP as an indicator of the Corporation's performance and may not be comparable to companies with similar calculations.

The following table reconciles net income (loss), the nearest GAAP measure, to adjusted EBITDA:

	Three months ended June 30,		Six months ended June 30,	
(in millions of Canadian dollars)	**2026**	2025	**2026**	2025
Net income (loss)	**$ 16.8**	$ (12.3)	**$ (5.0)**	$ (44.2)
Deferred income tax expense	**3.4**	-	**6.8**	-
Depreciation	**15.9**	15.3	**30.7**	30.3
Finance costs and other	**10.6**	19.5	**26.2**	36.2
Share-based compensation	**1.1**	1.5	**2.2**	2.8
(Gain) loss on sale of assets	**(0.4)**	-	**3.3**	0.1
Unrealized loss (gain) on derivative contracts	**39.5**	(15.1)	**71.8**	(19.6)
Transaction costs	**-**	0.1	**-**	0.3
Non-recurring expenses	**2.7**	6.6	**7.5**	10.9
Adjustment to share of profit from equity accounted investments	**(0.7)**	0.4	**(4.9)**	(4.5)
Consolidated adjusted EBITDA	**$ 88.9**	$ 16.0	**$ 138.6**	$ 12.3
Less: Consolidated adjusted EBITDA attributable to Tidewater Renewables	**(56.0)**	(10.8)	**(80.1)**	(13.2)
Deconsolidated adjusted EBITDA	**$ 32.9**	$ 5.2	**$ 58.5**	$ (0.9)

Distributable cash flow and deconsolidated distributable cash flow attributable to shareholders

Distributable cash flow is calculated as net cash provided by (used in) operating activities before changes in non-cash working capital, plus cash distributions from investments, transaction costs, non-recurring transactions, and less other expenditures that use cash from operations. Also deducted is the distributable cash flow of Tidewater Renewables that is attributed to non-controlling interest shareholders. Management believes distributable cash flow is a useful metric for investors when assessing the amount of cash flow generated from normal operations.

Changes in non-cash working capital are excluded from the determination of distributable cash flow because they are primarily the result of seasonal fluctuations or other temporary changes and are generally funded with short-term debt or cash flows from operating activities. Transaction costs are added back as they can vary significantly based on the Corporation's acquisition and disposition activity. Non-recurring transactions that do not reflect Tidewater's ongoing operations are also excluded. Lease payments, interest and financing charges, and maintenance capital expenditures, including turnarounds, are deducted as they are ongoing recurring expenditures which are funded from operating cash flows.

Deconsolidated distributable cash flow is calculated by subtracting the portion of Tidewater Renewables' distributable cash flow that is attributed to shareholders of Tidewater from distributable cash flow attributable to shareholders.

The following table reconciles net cash provided by operating activities, the nearest GAAP measure, to distributable cash flow and deconsolidated distributable cash flow:

	Three months ended June 30,		Six months ended June 30,	
(in millions of Canadian dollars)	**2026**	2025	**2026**	2025
Net cash provided by operating activities	**$ 70.4**	$ 47.8	**$ 76.5**	$ 33.1
Add (deduct):				
Changes in non-cash operating working capital	**13.6**	(43.4)	**50.8**	(39.6)
Transaction costs	**-**	0.1	**-**	0.3
Non-recurring expenses	**2.7**	6.6	**7.5**	10.9
Interest and financing charges	**(12.1)**	(12.2)	**(22.3)**	(23.7)
Payment of lease liabilities and other, net of sublease payments	**(2.6)**	(2.7)	**(4.9)**	(5.7)
Maintenance capital	**(2.4)**	(4.7)	**(4.4)**	(6.3)
Tidewater Renewables' distributable cash flow to non-controlling interest shareholders	**(14.9)**	(0.3)	**(21.2)**	1.4
Distributable cash flow attributable to shareholders	**$ 54.7**	$ (8.8)	**$ 82.0**	$ (29.6)
Tidewater Renewables' distributable cash flow attributed to shareholders of Tidewater	**$ (27.9)**	$ (0.5)	**$ (40.0)**	$ 2.6
Deconsolidated distributable cash flow attributable to shareholders	**$ 26.8**	$ (9.3)	**$ 42.0**	$ (27.0)

Non-GAAP Financial Ratios

Tidewater uses non-GAAP financial ratios to present aspects of its financial performance or financial position, primarily distributable cash flow per share.

Distributable cash flow and deconsolidated distributable cash flow per share

Distributable cash flow per share is calculated as distributable cash flow attributable to shareholders divided by the basic or diluted weighted average number of common shares outstanding for the period. Deconsolidated distributable cash flow per share is calculated as deconsolidated distributable cash flow attributable to shareholders divided by the basic or diluted weighted average number of common shares outstanding for the period. Management believes that these measures provide investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

(in millions of Canadian dollars except share and per share information)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Distributable cash flow attributable to shareholders	**$ 54.7**	$ (8.8)	**$ 82.0**	$ (29.6)
Deconsolidated distributable cash flow attributable to shareholders	**$ 26.8**	$ (9.3)	**$ 42.0**	$ (27.0)
Weighted average common shares outstanding – basic (millions)[1]	**21.9**	21.6	**21.8**	21.6
Weighted average common shares outstanding – diluted (millions)[1]	**29.4**	21.6	**21.8**	21.6
Distributable cash flow per share – basic [1]	**$ 2.50**	$ (0.41)	**$ 3.76**	$ (1.37)
Distributable cash flow per share –diluted [1]	**$ 1.86**	$ (0.41)	**$ 3.76**	$ (1.37)
Deconsolidated distributable cash flow per share – basic [1]	**$ 1.22**	$ (0.43)	**$ 1.93**	$ (1.25)
Deconsolidated distributable cash flow per share – diluted [1]	**$ 0.91**	$ (0.43)	**$ 1.93**	$ (1.25)

(1) On August 28, 2025, the Corporation completed a share consolidation of the Tidewater Midstream common shares at a consolidation ratio of 20-for-1. As a result, the comparative periods have been retroactively restated to reflect the share consolidation.

Capital Management Measures

Tidewater's methods for managing capital and liquidity are discussed in the **LIQUIDITY AND CAPITAL RESOURCES** section of this MD&A and within note 25 of the consolidated audited financial statements for the year ended December 31, 2025.

Consolidated and deconsolidated net debt

Consolidated net debt is defined as bank debt, second lien debt, and convertible debentures, less cash and cash equivalents. Consolidated net debt is used by the Corporation to monitor its capital structure and financing requirements. It is also used as a measure of the Corporation's overall financial strength.

In addition to reviewing consolidated net debt, management reviews deconsolidated net debt to highlight Tidewater Midstream's financial flexibility, balance sheet strength and leverage. Deconsolidated net debt is calculated as consolidated net debt less the portion attributable to Tidewater Renewables.

Consolidated and deconsolidated net debt exclude working capital, lease liabilities and derivative contracts as the Corporation monitors its capital structure based on deconsolidated net debt to deconsolidated adjusted EBITDA, consistent with its credit facility covenants as described in the **LIQUIDITY AND CAPITAL RESOURCES** section.

The following table reconciles consolidated and deconsolidated net debt:

(in millions of Canadian dollars)		**June 30, 2026**		June 30, 2025
Tidewater Midstream Senior Credit Facility	**$**	**244.5**	$	271.5
Tidewater Renewables Senior Credit Facility		**10.0**		15.0
Tidewater Renewables Second Lien Credit Facility		**183.9**		183.9
Convertible debentures - principal		**100.0**		100.0
Cash		**(0.8)**		(0.3)
Consolidated net debt	**$**	**537.6**	$	570.1
Less: Tidewater Renewables Senior Credit Facility		**(10.0)**		(15.0)
Less: Tidewater Renewables Second Lien Credit Facility		**(183.9)**		(183.9)
Add: Tidewater Renewables cash		**0.6**		0.2
Deconsolidated net debt	**$**	**344.3**	$	371.4

Supplementary Financial Measures

“Growth capital” expenditures are generally defined as expenditures which are recoverable or incrementally increase cash flow or earnings potential of assets, expand the capacity of current operations or significantly extend the life of existing assets. This measure is used by the investment community to assess the extent of discretionary capital spending.

“Maintenance capital” expenditures are generally defined as expenditures which support and/or maintain the current capacity, cash flow or earnings potential of existing assets without the associated benefits characteristic of growth capital expenditures. These expenditures include major inspections and overhaul costs that are required on a periodic basis. This measure is used by the investment community to assess the extent of non-discretionary capital spending. Maintenance capital is included in the calculation of distributable cash flow.

Deconsolidated “net income (loss) attributable to shareholders” is comprised of net income or loss attributable to shareholders, as determined in accordance with IFRS, less the net income or loss of Tidewater Renewables attributed to the shareholders of Tidewater.

Deconsolidated “net income (loss) attributable to shareholders – per share” is calculated by dividing deconsolidated “net income or loss attributable to shareholders” by the basic weighted average number of Tidewater Midstream common shares outstanding for the period.

Deconsolidated “Total capital expenditures” is comprised of consolidated capital expenditures, as disclosed in Tidewater’s statement of cash flows, less the capital expenditures of Tidewater Renewables.

OPERATIONAL DEFINITIONS

“bbl/d” means barrels per day.

“MMcf/d” means million cubic feet per day.

“BC LCFS Credits” are tradable certificates awarded to fuel producers, importers, or users who produce or use fuels with a carbon intensity lower than the required standard set by the Government of BC. These credits are earned when the carbon emissions of fuel are below the established threshold, and they can be bought and sold in a market to help companies meet their regulatory obligations. The purpose of these credits is to incentivize the use of cleaner, low-carbon fuels and to help reduce the overall greenhouse gas emissions in the transportation sector.

“California LCFS Credits” means California Air Resources Board’s Low Carbon Fuel Standard regulation, established pursuant to the California Assembly Bill No. 32 (Chapter 488) and the Executive Order S-01-07 by the Governor of the State of California, as amended, re-adopted and further amended from time to time, designed to decrease the Carbon Intensity of California’s transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives to reduce petroleum dependency and achieve air quality benefits.

“CFR Emission Credits” means credits generated under the Canadian Clean Fuel Regulation.

“crack spread” refers to the general price differential between crude oil and the petroleum products refined from it.

“D4 RINs” means tradeable compliance credits created under the RFS by producing biomass-based diesel from qualifying renewable biomass, including blending such biomass-based diesel into petroleum-based transportation fuels, and meeting a 50% lifecycle greenhouse gas reduction, and utilized by obligated parties to meet annual renewable volume obligation targets.

“refinery yield” (expressed as a percentage) represents the percentage of finished product produced from inputs of crude oil and renewable feedstock as well as intermediates. Refinery yields are an important measure of refinery performance indicating the outputs that running a particular feedstock and intermediates through a refinery configuration will produce.

“throughput” with respect to a natural gas plant, means inlet volumes processed (including any off-load or reprocessed volumes); with respect to a pipeline, the estimated natural gas or liquid volume transported therein; and with respect to NGL processing facilities, means the volume of inlet NGLs processed.

“U.S.” meaning the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“utilization” or “utilization rate” means the throughput of a facility or unit divided by its design capacity.

“Western Pipeline Transaction” refers to the September 25, 2025, transaction between Tidewater and Pembina Pipeline Corporation and certain of its affiliates (collectively “ Pembina”) for the acquisition of the north segment of Pembina’s Western Pipeline System (the “Western Pipeline”), through a wholly owned limited partnership for total cash consideration of approximately $1.2 million, as well as the assumption of certain future abandonment and reclamation obligations and liabilities. The Western Pipeline is a crude oil pipeline originating in Taylor, BC and terminating in Prince George, BC. The Western Pipeline’s connection at Taylor, BC is the key conduit tying the PGR into the northeastern BC crude oil supply region.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively "forward-looking statements") within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events, conditions or future financial performance of Tidewater based on future economic conditions and courses of action. All statements other than statements of historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of any words such as "seek", "anticipate", "budget", "plan", "continue", "forecast", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "will likely result", "are expected to", "will continue", "is anticipated", "believes", "estimated", "intends", "plans", "projection", "outlook" and similar expressions. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon.

In particular, this MD&A contains forward-looking statements pertaining to but not limited to the following:

- the Corporation's business objective;
- the receipt of BC LCFS Credits pursuant to initiative agreements entered into with the Government of BC, and the anticipated use thereof;
- the generation of CFR Emission Credits and BC LCFS Credits through the sale of low-carbon transportation fuels;
- the receipt of emissions credits in connection with the New Initiative Agreement and timing thereof;
- expected amount of natural gas to be processed under the long-term agreements at the BRC;
- forecasted production of Tidewater Renewables under offtake agreements;
- Tidewater's guidance for adjusted EBITDA and capital expenditures;
- Tidewater Renewables' guidance for adjusted EBITDA, sales volume and capital expenditures;
- the anticipated impact of the termination of a crude oil pipeline transportation contract on annual adjusted EBITDA and distributable cash flow in 2027;
- the development of the proposed SAF project, including the funding of optimization work, the expected timing of a final investment decision and the pursuit of long-term offtake agreements in relation thereto;
- Tidewater Midstream's and Tidewater Renewables' right to participate in up to 50% of the SAF project following a final investment decision;
- the amount of annual consolidated adjusted EBITDA expected to be generated by the Corporation in 2026;
- the expected effect of the BPI on Tidewater Renewables and the Canadian renewable fuels sector;
- the percentage of forecasted diesel, gasoline and renewable diesel production subject to offtake agreements;
- the percentage of forecasted renewable diesel production expected to be sold inclusive of associated emission credits;
- the amount of crack spread exposure hedged under derivative contracts and the expected effect of such hedging strategy;
- the amount of renewable diesel revenue and associated feedstock purchases hedged under derivative contracts and the expected effect of such hedging strategy;
- expectations regarding future opportunities for natural gas processing;

- Tidewater's view of the refined product market, including the renewable diesel market;
- Tidewater's expectations regarding future global refinery capacity and inventories;
- the expectation that crack spreads and refined product margins will remain elevated for an extended period, and the anticipated duration and effect of market volatility arising from the ongoing geopolitical conflict and global energy supply disruption;
- anticipated timing of payments from the BPI program;
- marketing efforts regarding the Corporation's products;
- Tidewater's efforts to optimize its asset portfolio and divest certain non-core assets;
- ongoing discussions regarding potential transactions related to non-core Tidewater assets;
- the Government of Canada's intention to make targeted amendments to the CFR and the expected effect on the Corporation and the Canadian renewable fuels sector;
- the effect of contracted offtake agreements on Tidewater Renewables' liquidity and financial sustainability;
- the sale of remaining production from the HDRD Complex;
- the Corporation's view of the renewable diesel and emissions credit markets;
- facility utilization at the PGR, BRC, and the HDRD Complex;
- Tidewater's business strategy and operational initiatives;
- the PGR maintenance schedule;
- the effect of the long-term gas handling and NGL supply agreements entered into in January 2026 on throughput at the BRC;
- the Corporation's efforts to optimize its netback on its diesel and gasoline;
- supply and demand for products and services;
- expected throughput and utilization, including causes of variances thereof;
- the Corporation's expectations of the demand for emission credits;
- natural gas pricing expectations;
- the resumption of operations at the Ram River Gas Plant;
- expectations for the Corporation's and Tidewater Renewables' capital program for 2026;
- the effect of movements in Tidewater Renewables' share price, volatility assumptions and other market-based inputs on the fair value of Tidewater Renewables' warrants;
- Tidewater's primary liquidity and capital resource needs;
- expectations regarding the sufficiency of net cash provided by operating activities, cash available from Senior Credit Facilities, proceeds from the sale of emission credits, proceeds from the sale of non-core assets and other sources of financing to meet the Corporation's obligations and financial commitments and fund anticipated capital expenditures;
- requirements for the Corporation to refinance existing credit facilities, including changes in the terms thereof and the potential dilution of shareholders;
- the Corporation's use of letters of credit;
- requirements for the Corporation and Tidewater Renewables to maintain certain financial covenants, including upcoming changes to the Corporations financial covenants;
- the fluctuation of cash provided by operating activities due to changes in inventory, commodity prices and seasonal demand;
- the fluctuation of working capital requirements due to fluctuations in commodity prices and demand;
- the Corporation's use of risk management strategies and policies, including the evaluation of counterparty credit risk;

- the ability of the Corporation to limit its credit risk through dealing with recognized futures exchanges or investment-grade financial institutions and by maintaining credit policies which minimize overall counterparty credit risk; and
- the Corporation's use of financial derivative contracts to manage commodity price, power, interest and foreign exchange risk.

Although the forward-looking statements contained in this MD&A are based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this MD&A, the Corporation has assumptions regarding, but not limited to:

- Tidewater's ability to execute on its business plan;
- the effect of Tidewater Renewables' business operations on Tidewater Midstream;
- the timely receipt of all governmental and regulatory approvals sought by the Corporation;
- the ability of the Corporation and Tidewater Renewables to refinance existing credit facilities when due and/or obtain additional financing on satisfactory terms;
- the continued support of governments of various levels for existing and proposed policy initiatives;
- the market for BC LCFS Credits, CFR Emission Credits, D4 RINs and California LCFS Credits;
- the effect of increasingly stringent CI reduction targets on obligated parties' operations and the emission credit market;
- general economic and industry trends;
- future commodity prices, including natural gas, crude oil, NGL and renewable energy prices;
- impacts of commodity prices and demand on the Corporation's working capital requirements;
- processing and marketing margins;
- impacts of seasonality and climate disruptions;
- future capital expenditures to be made by the Corporation;
- foreign currency, exchange and interest rates, and expectations relating to inflation;
- that there are no unforeseen events preventing the performance of contracts;
- the availability of equipment and personnel required for Tidewater to execute its business plan;
- the amount of future liabilities relating to lawsuits and environmental incidents and the availability of coverage under the Corporation's insurance policies;
- volume demands from the PGR and HDRD Complex are consistent with forecasts;
- successful negotiation and execution of agreements with counterparties;
- oil and gas industry exploration and development activity and the geographic region of such activity;
- the Corporation's ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner;
- the amount of operating costs to be incurred;
- that there are no unforeseen costs relating to the facilities, not recoverable from customers;
- that distributable cash flow and net cash provided by operating activities are consistent with expectations;
- the availability of capital to fund operations and future capital requirements relating to existing assets and projects;
- the ability of Tidewater to successfully market its products;
- the successful integration of acquisitions and projects into the Corporation's existing business;
- the Corporation's future debt levels and the ability of the Corporation to repay its debt when due; and

- the other assumptions set forth in the Corporation's most recent AIF available under the Corporation's profile on SEDAR+ at www.sedarplus.ca

The Corporation's actual results could differ materially from those anticipated in the forward-looking statements, as a result of numerous known and unknown risks and uncertainties and other factors including but not limited to:

- changes in demand for refined and renewable products;
- general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, stock market volatility, BC LCFS Credit market volatility, supply/demand trends, armed hostilities, acts of war, terrorism, cyberattacks, trade disruptions, diplomatic developments and inflationary pressures;
- the potential insufficiency of liquidity sources for Tidewater Renewables and the Corporation;
- activities of producers and customers and overall industry activity levels;
- failure to negotiate and conclude any required commercial agreements;
- the potential inability to refinance its existing debts;
- non-performance of agreements in accordance with their terms;
- failure to execute formal agreements with counterparties in circumstances where letters of intent or similar agreements have been executed and announced by Tidewater;
- the imposition of tariffs and the corresponding impact on producer activity and the supply and demand for Tidewater's products;
- failure to close transactions as contemplated and in accordance with negotiated terms;
- the conflicts in Ukraine and the Middle East and the corresponding impact on supply chains and the global economy;
- risks of health epidemics, pandemics, public health emergencies, quarantines, and similar outbreaks, which may have sustained material adverse effects on the Corporation's business financial position results of operations and/or cash flows;
- changes in environmental and other laws and regulations or the interpretations of such laws or regulations;
- cost of compliance with applicable regulatory regimes, including, but not limited to, environmental laws and regulations, including greenhouse gas emissions;
- Indigenous and landowner consultation requirements;
- climate change initiatives or policies or increased environmental regulation;
- receipt of third party, regulatory, environmental and governmental approvals and consents relating to Tidewater's capital projects can be obtained on the necessary terms and in a timely manner;
- that the resolution of any particular legal proceedings could have an adverse effect on the Corporation's operating results or financial performance;
- competition for, among other things, business capital, acquisition opportunities, requests for proposals, materials, equipment, labour, and skilled personnel;
- the ability to secure land and water, including obtaining and maintaining land access rights;
- operational matters, including potential hazards inherent in the Corporation's operations and the effectiveness of health, safety, environmental and integrity programs;
- actions by governmental authorities, including changes in regulation, tariffs and taxation;
- changes in operating and capital costs, including fluctuations in input costs;

- legal risks and environmental risks and hazards, including risks inherent in the transportation of NGLs and refining of light crude oils which may create liabilities to the Corporation in excess of the Corporation's insurance coverage, if any;
- actions by joint venture partners or other partners which hold interests in certain of the Corporation's assets;
- reliance on key relationships and agreements;
- losses of key customers;
- construction and engineering variables associated with capital projects, including the availability of contractors, engineering and construction services, accuracy of estimates and schedules, and the performance of contractors;
- the availability of capital on acceptable terms;
- changes in the credit-worthiness of counterparties;
- adverse claims made in respect of the Corporation's properties or assets;
- risks and liabilities associated with the transportation of dangerous goods and derailments;
- effects of weather conditions (such severe weather or catastrophic events including, but not limited to, fires, floods, lightning, earthquakes, extreme cold weather, storms or explosions);
- reputational risks;
- the Corporation's reliance on key personnel;
- technology and security risks, including cybersecurity;
- potential losses stemming from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which the Corporation is reliant;
- technical and processing problems, including the availability of equipment and access to properties;
- changes in gas composition; and
- failure to realize the anticipated benefits of acquisitions, dispositions and capital projects.

The foregoing lists are not exhaustive. Additional information on these and other factors which could affect the Corporation's operations or financial results are included in the Corporation's most recent AIF and in other documents on file with the Canadian securities regulatory authorities. Additionally, the Corporation faces certain risks as the majority shareholder of Tidewater Renewables including, without limitation, liquidity risk, commodity price risk (including in respect of the markets for BC LCFS Credits, CFR Emission Credits and other carbon credits, rebates, tax credits, grants and other incentives), equity risk, credit risk and risks related to changes in environmental regulations, economic, political or market conditions and the regulatory environment.

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this MD&A in order to provide holders of common shares in the capital of the Corporation with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes.

The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do occur, what benefits the Corporation will derive therefrom. Readers are therefore cautioned that the foregoing list of important factors is not exhaustive, and they should not unduly rely on the forward-looking statements included in this MD&A. 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, other than as required by applicable securities law. All forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Further information about factors affecting forward-looking statements and management's assumptions and analysis thereof is available in filings made by the Corporation with Canadian provincial securities commissions available on SEDAR+ at www.sedarplus.ca.

The financial outlook information contained in this MD&A is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Additionally, the financial outlook information contained in this MD&A is subject to the risk factors described above in respect of forward-looking information generally as well as any other specific assumptions and risk factors in relation to such financial outlook noted in this MD&A. Accordingly, readers are cautioned that the financial outlook information contained in this MD&A should not be used for purposes other than for which it is disclosed herein. The financial outlook information contained in this MD&A was approved by management as of the date such financial outlook information was announced and was provided for the purpose of providing further information about Tidewater's current expectations and plans for the future.