TIDEWATER
Midstream and Infrastructure Ltd.

Condensed Interim Consolidated Financial Statements

For the three month period ended March 31, 2025

Tidewater Midstream and Infrastructure Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited, millions of Canadian dollars)

As at	Notes		March 31, 2025		December 31, 2024
Assets					
Current					
Cash and cash equivalents		$	**0.1**	$	0.1
Accounts receivable			**145.1**		159.1
Derivative contracts			**3.1**		7.9
Inventory and emission credits	3		**137.2**		132.8
Prepaid expenses and other			**13.0**		10.0
Assets held for sale	4		**-**		38.3
Total current assets			**298.5**		348.2
Prepaid expenses and other			**5.5**		6.8
Investments			**42.1**		35.4
Right-of-use assets			**17.4**		18.9
Inventory	3		**35.9**		35.1
Property, plant and equipment	4(a)		**786.1**		796.6
Total assets		**$**	**1,185.5**	$	1,241.0
Liabilities					
Current					
Accounts payable, accrued liabilities and provisions	5	**$**	**194.2**	$	206.1
Derivative contracts			**22.5**		37.5
Warrant liability			**4.8**		0.2
Bank debt	6		**21.5**		14.8
Lease liabilities and other			**11.9**		12.7
Total current liabilities			**254.9**		271.3
Bank debt	6		**279.2**		281.2
Second lien debt	7		**161.0**		160.0
Convertible debentures			**90.2**		89.8
Derivative contracts			**4.8**		3.7
Decommissioning obligations			**88.1**		87.7
Lease liabilities and other			**11.8**		14.3
Total liabilities			**890.0**		908.0
Equity					
Attributable to shareholders			**259.6**		290.6
Attributable to non-controlling interest			**35.9**		42.4
Total equity			**295.5**		333.0
Total liabilities and equity		**$**	**1,185.5**	$	1,241.0

See the accompanying notes to the condensed interim consolidated financial statements

Tidewater Midstream and Infrastructure Ltd.

Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss

(Unaudited, millions of Canadian dollars, except per share information)

	Notes		**Three months ended March 31, 2025**		Three months ended March 31, 2024
Revenue	9	**$**	**309.9**	$	439.5
Operating expenses			**306.3**		387.0
Gross margin			**3.6**		52.5
General and administrative			**6.8**		7.6
Share-based compensation			**1.3**		2.8
Depreciation			**15.0**		23.2
Operating (loss) income			**(19.5)**		18.9
Finance costs and other	10		**16.7**		21.6
Realized loss on derivative contracts			**6.5**		10.4
Unrealized (gain) loss on derivative contracts			**(4.5)**		1.4
Realized gain on marketable securities			**-**		(5.0)
Loss on sale of assets			**0.1**		-
Income from equity investments			**(6.6)**		(1.1)
Transaction costs			**0.2**		1.3
Net loss and comprehensive loss		**$**	**(31.9)**	$	(9.7)
Net (loss) income and comprehensive (loss) income attributable to:					
Shareholders			**(31.8)**		(11.3)
Non-controlling interest			**(0.1)**		1.6
Net loss and comprehensive loss		**$**	**(31.9)**	$	(9.7)
Net loss per share attributable to shareholders:					
Basic and diluted	8(b)	**$**	**(0.07)**	$	(0.03)

See the accompanying notes to the condensed interim consolidated financial statements

Tidewater Midstream and Infrastructure Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited, millions of Canadian dollars)

		Attributable to Shareholders of the Corporation				
	Notes	Share capital	Equity reserves	Deficit	Non-controlling interest	Total equity
Balance, January 1, 2025		$ 543.5	$ 26.6	$ (279.5)	$ 42.4	$ 333.0
Net loss		-	-	(31.8)	(0.1)	(31.9)
Issuance of common shares	8(a)	0.1	(0.1)	-	-	-
Share-based compensation		-	0.8	-	-	0.8
Tidewater Renewables Ltd. issuance of common shares		-	-	-	0.1	0.1
Disposal of interest in RNG Partnership	4(b)	-	-	-	(6.5)	(6.5)
Balance, March 31, 2025		**$ 543.6**	**$ 27.3**	**$ (311.3)**	**$ 35.9**	**$ 295.5**
Balance, January 1, 2024		$ 540.8	$ 22.9	$ (252.9)	$ 29.7	$ 340.5
Net (loss) income		-	-	(11.3)	1.6	(9.7)
Issuance of common shares		0.7	(0.7)	-	-	-
Share issue costs (net of tax)		(0.4)	-	-	-	(0.4)
Share-based compensation		-	1.3	-	-	1.3
Balance, March 31, 2024		$ 541.1	$ 23.5	$ (264.2)	$ 31.3	$ 331.7

See the accompanying notes to the condensed interim consolidated financial statements

Tidewater Midstream and Infrastructure Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, millions of Canadian dollars)

	Notes	**Three months ended March 31, 2025**	Three months ended March 31, 2024
Cash provided by (used in):			
Operating activities			
Net loss		**$ (31.9)**	$ (9.7)
Adjustments:			
Non-cash share-based compensation		**0.8**	1.3
Depreciation		**15.0**	23.2
Interest and finance charges	10	**11.5**	14.1
Accretion and other	10	**5.5**	5.9
Unrealized loss on foreign exchange		**-**	0.6
Unrealized (gain) loss on derivative contracts		**(4.5)**	1.4
Realized gain on marketable securities		**-**	(5.0)
Loss on sale of assets		**0.1**	-
Income from equity investments		**(6.6)**	(1.1)
Decommissioning costs incurred		**(0.8)**	-
Changes in non-cash operating working capital		**(3.8)**	(60.0)
Net cash used in operating activities		**(14.7)**	(29.3)
Financing activities			
Advances (repayment) of bank debt		**4.0**	(230.5)
Payment of lease liabilities and other		**(3.8)**	(10.6)
Interest and financing charges paid		**(11.9)**	(14.0)
Net proceeds from common share issuance		**-**	(0.4)
Changes in non-cash financing working capital		**4.6**	-
Net cash used in financing activities		**(7.1)**	(255.5)
Investing activities			
Expenditures on property, plant and equipment	4(a)	**(3.6)**	(8.1)
Proceeds from capital emission credit sales		**1.3**	2.3
Proceeds from sales of assets		**32.2**	341.6
Changes in non-cash investing working capital		**(8.1)**	(38.8)
Net cash provided by investing activities		**21.8**	297.0
Increase in cash and cash equivalents		**-**	12.2
Cash and cash equivalents, beginning of period		**0.1**	0.1
Cash and cash equivalents, end of period		**$ 0.1**	$ 12.3

See the accompanying notes to the condensed interim consolidated financial statements

(Tabular amounts stated in millions of Canadian dollars, except as noted)

1. REPORTING ENTITY

Tidewater Midstream and Infrastructure Ltd. ("Tidewater" or the "Corporation" when referring to the consolidated group, and "Tidewater Midstream" when referring to the legal entity) is a diversified midstream and infrastructure company with an integrated value chain across the North American natural gas processing, natural gas liquids ("NGL"), and petroleum refining and renewables markets. Tidewater's common shares are publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "TWM". The Corporation's principal place of business is Suite 900, 222 – 3rd Ave SW, Calgary, Alberta, Canada, T2P 0B4.

These condensed interim consolidated financial statements ("Interim Financial Statements") include the results of Tidewater Midstream, its subsidiary companies, partnerships and joint arrangements as at and for the three months ended March 31, 2025.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These Interim Financial Statements are in compliance with IAS® Standards 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied are in accordance with IFRS® Accounting Standards as issued by the IASB, are consistent with the Corporation's consolidated financial statements as at and for the year ended December 31, 2024 ("Consolidated Financial Statements") and should be read in conjunction with those Consolidated Financial Statements. The Interim Financial Statements were approved and authorized for issuance by Tidewater's Board of Directors on May 7, 2025.

3. INVENTORY AND EMISSION CREDITS

The following table summarizes the Corporation's inventory and emission credits:

	March 31, 2025	December 31, 2024
Feedstocks	**$ 19.2**	$ 27.1
Refined products	**41.7**	37.9
Materials and supplies	**10.4**	10.0
Marketing inventory	**5.1**	6.7
Operating emission credits	**59.6**	49.8
Capital emission credits	**1.2**	1.3
Total current inventory and emission credits	**137.2**	132.8
Long-term inventory	**35.9**	35.1
Total inventory and emission credits	**$ 173.1**	$ 167.9

At March 31, 2025 and December 31, 2024, all inventory and operating emission credits were carried at cost and $NIL was carried at net realizable value.

(Tabular amounts stated in millions of Canadian dollars, except as noted)

4. PROPERTY, PLANT AND EQUIPMENT

a) Property, plant and equipment is comprised of the following:

	Plant and infrastructure	Assets under construction	Total
Cost			
Balance, January 1, 2025	$ 1,480.4	$ 5.0	$ 1,485.4
Additions	-	3.6	3.6
Capital emission credits awarded	-	(1.2)	(1.2)
Completed projects	1.3	(1.3)	-
Disposals	(0.1)	-	(0.1)
Decommissioning asset	0.5	-	0.5
Balance, March 31, 2025	$ 1,482.1	$ 6.1	$ 1,488.2
Accumulated Depreciation and Impairment			
Balance, January 1, 2025	$ 688.8	$ -	$ 688.8
Depreciation	13.3	-	13.3
Balance, March 31, 2025	$ 702.1	$ -	$ 702.1
Net book value			
December 31, 2024	$ 791.6	$ 5.0	$ 796.6
March 31, 2025	**$ 780.0**	**$ 6.1**	**$ 786.1**

b) Sale of Rimrock Renewables Limited Partnership

During 2024, the Corporation classified its interest in the Rimrock Renewables Limited Partnership (“RNG Partnership”) as held for sale.

On January 10, 2025, Tidewater completed the sale of its interest in the RNG Partnership for total proceeds of $7.8 million, of which $4.7 million was received on close and a further $3.1 million is expected to be received upon the satisfaction of certain post-closing conditions on or before December 30, 2025.

Total proceeds	$ 7.8
Net assets sold	(14.3)
Non-controlling interest derecognized as result of the sale	6.5
Gain on sale of RNG Partnership	**$ -**

c) Sale of Brazeau River Complex roadway network

During the fourth quarter of 2024, the Corporation classified $24.0 million of property, plant and equipment associated with the Brazeau River Complex roadway network (the “BRC Roadway Network”) as held for sale.

On March 6, 2025, Tidewater entered into a definitive purchase and sale agreement for the sale of the BRC Roadway Network to Canadian Resource Roadways LP for total proceeds of $24.0 million. The BRC Roadway Network is a non-core asset to Tidewater. The sale closed on March 24, 2025, and the $22.5 million of proceeds received upon closing of the sale were used on March 26, 2025, to reduce the term facility component of the Tidewater Midstream Senior Credit Facility (note 6). The balance of the proceeds will be received on or before December 31, 2025.

(Tabular amounts stated in millions of Canadian dollars, except as noted)

5. ACCOUNTS PAYABLE, ACCRUED LIABILITIES AND PROVISIONS

		March 31, 2025		December 31, 2024
Trade and accrued payables	**$**	**161.3**	$	178.6
Deferred revenue		**0.3**		0.8
Interest payable		**8.2**		3.5
Government grant		**16.2**		16.2
Current portion of decommissioning obligation		**8.2**		7.0
Total accounts payable, accrued liabilities and provisions	**$**	**194.2**	$	206.1

6. BANK DEBT

The following table summarizes the Corporation's bank debt:

		March 31, 2025		December 31, 2024
Tidewater Midstream Senior Credit Facility	**$**	**284.7**	$	281.8
Tidewater Renewables Senior Credit Facility		**22.0**		20.9
Financing costs		**(6.0)**		(6.7)
Total bank debt	**$**	**300.7**	$	296.0
Current portion, net of financing costs		**21.5**		14.8
Long-term portion, net of financing costs		**279.2**		281.2

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 Senior Credit Facilities and the second lien credit facility (note 7) are not cross-collateralized, are not subject to cross defaults, nor are Tidewater Midstream and Tidewater Renewables consolidated for the purposes of covenant testing or availability.

Tidewater Midstream

On March 26, 2025, in conjunction with the closing of the BRC Roadway Network sale and the permanent repayment of a portion of the term facility using the proceeds from the sale (note 4(c)), the Tidewater Midstream Senior Credit Facility was amended to defer the first mandatory quarterly repayment of $5.0 million on the term facility until April 30, 2026. In addition, the financial covenants were amended until March 31, 2026, to increase the first lien senior debt to adjusted EBITDA covenant to 4.50:1 (from 3.50:1) and decrease the adjusted EBITDA to interest coverage ratio to 1.50:1 (from 2.50:1).

The following facilities are available to Tidewater Midstream under it's Senior Credit Facility:

		Facility amount	Maturity date		**Amount drawn March 31, 2025**
Syndicated facility	$	125.0	September 12, 2026	**$**	**125.0**
Operating facility		50.0	September 12, 2026		**33.2**
Term facility		126.5	August 30, 2027		**126.5**
Tidewater Midstream Senior Credit Facility	**$**	**301.5**		**$**	**284.7**

Tidewater Midstream is required to maintain certain deconsolidated financial covenants on a trailing twelve-month basis. The calculations for each of these ratios are based on specific definitions in the Senior Credit Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to the Corporation's consolidated financial statements. At March 31, 2025, Tidewater Midstream was in compliance with its financial covenants.

(Tabular amounts stated in millions of Canadian dollars, except as noted)

Tidewater Midstream's deconsolidated financial covenants as at March 31, 2025 and December 31, 2024, were as follows:

	Ratio	**March 31, 2025**	December 31, 2024
Deconsolidated debt to adjusted EBITDA (1)	Maximum 4.50:1	**3.64**	3.06
Deconsolidated first lien senior debt (2) to adjusted EBITDA	Maximum 4.50:1	**3.64**	3.06
Adjusted EBITDA to interest coverage	Minimum 1.50:1	**3.35**	4.55

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

At March 31, 2025, Tidewater Midstream had $41.0 million (December 31, 2024 - $30.9 million) of letters of credit outstanding, which operate under a separate facility.

Tidewater Renewables

On March 26, 2025, the Tidewater Renewables Senior Credit Facility was amended to increase the total aggregate availability by $10.0 million to $40.0 million. In addition, the requirement to comply with the quarterly financial covenants has been waived until March 31, 2026 (previously waived until September 30, 2025) at which time Tidewater Renewables' will be required to maintain certain financial covenants on an annualized basis.

On May 7, 2025, the maturity date of the Tidewater Renewables Senior Credit Facility was extended from February 28, 2026, to February 28, 2027.

7. SECOND LIEN CREDIT FACILITY

The following table summarizes the Tidewater Renewables' second lien credit facility:

		March 31, 2025		December 31, 2024
Second Lien Credit Facility	**$**	**178.8**	$	175.0
Discount (1)		**(17.8)**		(15.0)
Total Second Lien Credit Facility	**$**	**161.0**	$	160.0
Current portion, net of discount		**-**		-
Long-term portion, net of discount	**$**	**161.0**	$	160.0

(1) Includes the issue discount, debt issuance costs and the fair value of the warrant liabilities upon issuance, net of accretion.

On March 26, 2025, the following amendments were made to the Tidewater Renewables Second Lien Credit Facility:

- increased the tranche C second lien credit facility (the "Tranche C Facility") by $10.0 million to $43.0 million for the purpose of refinancing the Tidewater Renewables Senior Credit Facility in certain circumstances;
- Tidewater Renewables was provided the option to elect that the April 24, 2025 interest payment on the $150.0 million Tranche A Facility be paid in kind. Tidewater Renewables exercised this option and $5.1 million was added to the aggregate principal amount of the Tranche A Facility on April 24, 2025.
- the maturity date of the Second Lien Tranche B and Tranche C Facilities was extended from February 28, 2026, to October 24, 2027;
- the requirement to comply with the quarterly financial covenants was waived until March 31, 2026 (previously waived until September 30, 2025) at which time Tidewater Renewables will be required to maintain certain financial covenants on an annualized basis; and
- the amendment fee of $3.8 million was added to the principal amount of the Tranche B Facility.

(Tabular amounts stated in millions of Canadian dollars, except as noted)

8. EQUITY ATTRIBUTABLE TO SHAREHOLDERS

a) Issued and outstanding common shares

As at March 31, 2025, Tidewater had 431.2 million common shares outstanding with a carrying value of $543.6 million (December 31, 2024 - 431.1 million outstanding common shares with a carrying value of $543.5 million).

b) Net loss per share

	Three months ended March 31, 2025			Three months ended March 31, 2024		
	Net loss	Common shares (millions)	Net loss per share	Net loss	Common shares (millions)	Net loss per share
Net loss attributable to shareholders – basic and diluted	**$ (31.8)**	**431.2**	**$ (0.07)**	$ (11.3)	428.2	$ (0.03)

For the three months ended March 31, 2025, 33.8 million share awards (March 31, 2024 - 14.5 million), NIL shares relating to equity warrants (March 31, 2024 - 40.1 million), and 389.9 million shares related to convertible debentures (March 31, 2024 - 92.9 million) were excluded from the weighted-average share calculations as they were anti-dilutive.

9. REVENUE

The Corporation disaggregated revenue into categories to reflect how the nature and cash flows are affected by economic factors as follows:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Conventional gasoline and diesel	**$ 96.6**	$ 185.2
NGL and crude oil marketing	**142.0**	147.5
Renewable fuels	**31.0**	41.6
Operating emission credits	**14.0**	30.2
Fee for service (1)	**19.7**	25.5
Other refined products (2)	**6.1**	9.5
Other (3)	**0.5**	-
Total revenue	**$ 309.9**	$ 439.5

(1) Includes revenue from NGL gas handling, processing, fractionation, and storage and transportation services.
(2) Includes HFO, LPG, ethanol and VLSFO.
(3) Includes sulfur revenue and net royalties.

(Tabular amounts stated in millions of Canadian dollars, except as noted)

10. FINANCE COSTS AND OTHER

Finance costs and other are comprised of the following:

		Three months ended March 31, 2025		Three months ended March 31, 2024
Interest on bank debt, second lien debt and convertible debentures	**$**	11.5	$	14.1
Total interest expense		11.5		14.1
Foreign exchange (gain) loss		(0.3)		1.6
Total finance costs and other before accretion	**$**	11.2	$	15.7
Unwinding of discount on decommissioning obligations		2.0		1.8
Unwinding of discount on long-term debt		2.9		3.1
Unwinding of discount on lease liabilities		0.6		1.1
Other		-		(0.1)
Total accretion		5.5		5.9
Total finance costs and other	**$**	16.7	$	21.6

11. COMMITMENTS

In addition to the commitments disclosed elsewhere in the Interim Financial Statements, the Corporation has assumed commitments in various transportation agreements through its normal course of operations. The estimated annual minimum payments are presented below, gross of any anticipated flow-through operating cost recoveries from customers.

		Within one year		After one year but not more than five years		More than five years		Total
Firm transportation contracts	$	24.7	$	76.5	$	23.3	$	**124.5**

12. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure sufficient financial flexibility to achieve ongoing business objectives, including funding future investment and growth opportunities and financial obligations, and maximizing shareholder returns.

The Corporation considers its capital employed to be bank debt, second lien debt, convertible debentures and shareholders' equity. The Corporation makes adjustments to capital employed by monitoring economic conditions and investment opportunities. The Corporation generally relies on credit facilities and cash flows from operations in excess of interest to fund capital requirements. To maintain or modify its capital structure, the Corporation may issue new common or preferred shares, issue new subordinated debt, renegotiate existing debt terms, or repay existing debt. The Corporation is not currently subject to any externally imposed capital requirements, other than covenants (note 6) on Tidewater Midstream's bank debt.

The Corporation also monitors its capital structure based on consolidated net debt to adjusted EBITDA. This metric measures the Corporation's financial leverage. Consolidated net debt is defined as bank debt, second lien debt and convertible debentures, less cash and cash equivalents. The definition of adjusted EBITDA for capital management purposes is the same measure used in the calculation of Tidewater Midstream's financial covenants on its Senior Credit Facility (note 6).

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial instruments

At March 31, 2025, the fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and provisions approximated their carrying value due to their short-term maturity. The carrying value of the outstanding bank debt and second lien debt approximated fair value due to the use of floating interest rates.

At March 31, 2025, the fair value of the Corporation's 2024 Convertible Debentures was $74.9 million using quoted market prices on the TSX.

b) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Corporation's accounts receivable, and from financial counterparties holding cash, cash equivalents and derivative contracts. Cash consists of amounts on deposit with Canadian chartered banks. The Corporation manages credit exposure of cash and cash equivalents by selecting financial institutions with high credit ratings.

The Corporation assesses lifetime expected credit losses for accounts receivable using historical default rates, aged accounts receivable analysis, and forward-looking information to determine the appropriate expected credit losses. At March 31, 2025, lifetime expected credit losses for accounts receivable outstanding were $3.0 million (December 31, 2024 - $3.0 million).

c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet financial obligations at the point at which they are due. The Corporation manages its liquidity risk through ongoing capital management. Management's assessment of its liquidity reflects estimates, assumptions and judgements relating to current market conditions.

Tidewater Midstream

During early 2025, the Corporation continued to experience wider wholesale discounts resulting from increased North American refining production, imports of renewable diesel into BC by competitors that take advantage of both U.S. and Canadian government incentives, pending tariffs on energy and slowing demand due to adverse economic pressures in Canada. These conditions have had a negative impact on the Corporation's profitability and liquidity. Additionally, the oversupply of renewable diesel into the BC market has also decreased the demand and price for BC LCFS Credits, which negatively impacts the Corporation.

On March 26, 2025, the financial covenants within the Tidewater Midstream Senior Credit Facility were revised (note 6) effective January 1, 2025 through March 31, 2026 to increase the deconsolidated first lien senior debt to adjusted EBITDA covenant to 4.50:1 and lower deconsolidated EBITDA to Interest Coverage Ratio to 1.50:1. These amendments will assist in providing financial flexibility as Tidewater navigates the market conditions stated above.

Tidewater anticipates that net cash provided by operating activities, cash available from its Senior Credit Facilities, proceeds from the sale of BC LCFS emission credits and other sources of financing will be sufficient to meet its obligations and financial commitments and provide sufficient funding for anticipated capital expenditures.

(Tabular amounts stated in millions of Canadian dollars, except as noted)

Tidewater Renewables

Tidewater Renewables anticipates that net cash from operating activities, funds from its Senior Credit Facility and second lien credit facility, proceeds from the sale of emissions credits, and other financing sources (including equity financing if necessary) will be sufficient to fulfill its financial commitments, obligations, and anticipated capital expenditures as they become due; however, economic uncertainties, operational issues with the HDRD Complex, or other unexpected operational difficulties could pose liquidity and financial obligations risks to Tidewater Renewables.

Contractual maturities

The following table details the contractual maturities of the Corporation's financial liabilities as at March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Less than one year	Greater than one year	Less than one year	Greater than one year
Accounts payable, accrued liabilities and provisions	$ 194.2	$ -	$ 206.1	$ -
Derivative contracts	22.5	4.8	37.5	3.7
Warrant liability	4.8	-	0.2	-
Lease liabilities and other (1)	12.2	13.3	13.1	16.2
Bank debt (2)	22.0	284.7	15.0	287.7
Second lien debt (2)	-	178.8	-	175.0
Convertible debentures (2)	-	100.0	-	100.0
Total financial liabilities	**$ 255.7**	**$ 581.6**	$ 271.9	$ 582.6

(1) Amounts represent the expected undiscounted cash payments related to leases.
(2) Amounts represent undiscounted principal only and exclude accrued interest and transaction costs.

d) Market risk

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates, will affect the Corporation's cash flow, income, or the value of its financial instruments. The objective of the Corporation's market risk management program is to manage and control market risk exposures within acceptable parameters, while maximizing the Corporation's return.

Interest rate risk

Interest rate risk refers to the risk that the value of the financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. The Corporation may use forward interest rate swaps to hedge the interest rate associated with interest payments occurring as a result of its bank debt.

At March 31, 2025, the Corporation had variable rate bank debt (note 6) totalling $306.7 million. A 1% change in the interest rates on bank debt would have an after-tax impact on net loss of approximately $0.6 million for the three months ended March 31, 2025.

Foreign currency exchange rate risk

Foreign currency risk is the risk that the value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Corporation's foreign currency risk arises from certain working capital balances denominated in United States Dollars (USD). As at March 31, 2025, net working capital and derivative contract balances denominated in USD were $15.3 million. A 5% change in foreign exchange rates between the USD and the Canadian Dollar would have an after-tax impact on net loss of approximately $0.8 million for the three months ended March 31, 2025.

Commodity price risk

Commodity price risk is the risk that the fair value of a commodity derivative will fluctuate because of changes in market prices. In the normal course of operations, the Corporation purchases and sells various commodities and uses derivatives to protect its revenue and operating costs from price fluctuations. The Corporation is subject to price risk through these derivative contract assets and liabilities. A 10% change in prices for the underlying commodities, related to the Corporation's derivative contracts, would have an after-tax impact on net loss of $5.3 million for the three months ended March 31, 2025.

Warrant liability risk

Tidewater Renewables' warrants are classified as a financial liability due to the cashless exercise feature. They are measured at their fair value upon issuance and at each subsequent reporting period. A 10% change in the Corporation's share price would have an after-tax impact on net loss of $0.6 million for the three months ended March 31, 2025.

14. SUBSEQUENT EVENT

On May 6, 2025, Tidewater announced that it had entered into definitive agreements with Pembina Pipeline Corporation and certain of its affiliates (collectively " Pembina"), through a wholly owned limited partnership, to acquire the north segment of Pembina's Western Pipeline System (the "Western Pipeline"), for total cash consideration of approximately $1.2 million, as well as the assumption of certain future abandonment and reclamation obligations and liabilities estimated at approximately $30.0 million (undiscounted value) (the "Transaction").

The Western Pipeline is an approximately 377 km crude oil pipeline originating in Taylor, British Columbia and terminating in Prince George, British Columbia. The Western Pipeline's connection at Taylor, British Columbia is the key conduit tying Tidewater's Prince George Refinery (the "PGR") into the northeastern British Columbia crude supply region.

The Transaction is expected to close on or before September 1, 2025, subject to customary post-closing adjustments and regulatory approvals.