Tidewater Midstream and Infrastructure Ltd. Announces Strategic Acquisition

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Tidewater Midstream and Infrastructure Ltd. ("**Tidewater**" or the "**Corporation**") (TSX VENTURE:TWM) is pleased to announce that it has closed an acquisition agreement with a Vendor (the "**Vendor**") and acquired 100% working interests in three deep cut gas processing/natural gas liquids extraction facilities with total aggregate capacity of 142 Mmcf/day of gas processing/NGL extraction capability, plus a 100% working interest in approximately 250km of related pipeline networks and infrastructure including land and rail access at Fort Saskatchewan (the "**Acquisition**") for nominal cash consideration. The Acquisition is consistent with Tidewater's strategy to acquire, integrate, and optimize infrastructure throughout the NGL value chain while creating mutually beneficial relationships with producers. The Acquisition is strategically located around Edmonton and includes significant pipelines which head toward Tidewater's largest gas plant at the Brazeau River Complex and is a first key step for Tidewater to develop its own natural gas and NGL network which will offer alternative natural gas takeaway/egress options to producers. Furthermore, this acquisition provides approximately 100 Mmcf/day of deep-cut processing capacity that is currently not being utilized and gives Tidewater additional access to spec propane and butane which will significantly increase the amount of NGLs Tidewater markets. The replacement value of the assets has been estimated at approximately $200 million.

Additionally, the acquisition is consistent with Tidewater's strategy of providing producers with better pricing for their NGLs through its owned infrastructure and established market access. Tidewater continues to focus on high IRR projects through the evaluation of numerous organic-growth, as well as acquisition-based opportunities. Tidewater also continues to move forward on multiple potential export terminal opportunities.

Tidewater will continue to maintain a strong balance sheet and financial flexibility with a Debt-to-annualized EBITDA multiple of less than 1x post-closing of the Acquisition.

Transaction Highlights

Key transaction highlights include:

> **Enhances Tidewater's Infrastructure Network:** significant infrastructure network including three 100% owned deep cut/extraction facilities with 142 Mmcf/day of processing capability, 250km of pipelines and land with rail access at Fort Saskatchewan. This Acquisition can be integrated with Tidewater's existing asset base to provide producers greater processing and takeaway options.

Significant Growth Opportunities: Tidewater maintains the ability to implement small-scale optimization investment opportunities on the Acquisition that can increase EBITDA with modest or no capital. This includes marketing of NGLs, including related spec propane and butane. With additional investment capital, Tidewater has the potential to create its own large-scale natural gas and NGL network offering producers immediate egress/takeaway.

Acquisition Overview

The Acquisition consists of one 100% owned 40 Mmcf/day NGL extraction plant in the Edmonton area with three year historical annualized EBITDA of approximately $3.5 million.

A second 100% owned 37 Mmcf/day NGL extraction plant at Fort Saskatchewan is also included. The plant has been shut in since September 2014 and has an annual cost of $100,000 to maintain. The plant includes several key right of ways and 5.64 acres of heavy industrial land within Fort Saskatchewan including access to CN rail. The network has key pipelines and right of ways connecting several large natural gas consumers and fractionation facilities. Tidewater is currently evaluating recommissioning the plant in 2016 for a cost of approximately $2 million and marketing the related NGLs.

A third 100% owned 65 Mmcf/day deep-cut gas processing facility is included and located south west of Edmonton and is connected by pipeline infrastructure to the 40 Mmcf/day NGL extraction plant. The plant has been shut in since June 2013 and has an annual cost of $100,000 to maintain. Substantial gas egress is available at the site which creates significant opportunity for Tidewater to expand its natural gas network. Further, Tidewater is considering relocating the turbo expander and other components to other core areas as the replacement value of the turbo expander and other components is greater than $20 million.

A 250km pipeline network interconnecting two of the gas processing facilities, including key pipelines to large natural gas consumers, strategic right of ways around Edmonton, and significant natural gas pipelines and right of ways heading toward Tidewater's largest gas plant at the Brazeau River Complex and other areas of the Deep Basin. The pipelines provide the potential for immediate takeaway and egress for natural gas producers and will form the backbone of Tidewater's natural gas and NGL network.

Due to existing NGL marketing contracts associated with the assets, Tidewater will begin to market the related NGLs and spec product on April 1, 2016 and expects the Acquisition to generate negative EBITDA of $1 million in the first quarter of 2016. Tidewater expects the Acquisition to generate minimal incremental annualized EBITDA in 2016. With additional capital investment opportunities related to the Acquisition, Tidewater expects significant upside for the assets, including 100 Mmcf/day of deep-cut processing capacity that is currently not utilized and significant natural gas takeaway/egress transportation opportunities that are currently available and not utilized. Furthermore, significant cost synergies exist including lowering the spec propane supply cost for its newly acquired propane retail division upon Tidewater assuming the NGL marketing from these facilities on April 1, 2016.

For a map of the Acquisition area and assets please click on the link below:

http://www.tidewatermidstream.com/uploads/links/TWM_-_Map_Jan_2016.pdf

Tidewater Overview

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

Cautionary Notes

The Corporation's Business

Tidewater was incorporated under the Alberta Business Corporations Act on February 4, 2015 to pursue the purchase, sale and transportation of natural gas liquids ("NGLs") throughout North America and export to overseas markets. Tidewater is also engaged in the acquisition of oil and gas infrastructure, including gas plants, pipelines, NGLs by rail, export terminals and storage facilities. Tidewater continues to investigate opportunities with North American producers and mid-streamers for the acquisition and operation of such infrastructure projects.

Advisory Regarding Forward-Looking Statements

In the interest of providing Tidewater's shareholders and potential investors with information regarding Tidewater, including management's assessment of Tidewater's future plans and operations, certain statements in this press release are "forward-looking statements" within the meaning of the United States *Private Securities Litigation Reform Act* of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "ongoing", "outlook", "potential", "project", "plan", "should", "target", "would", "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this press release contains forward-looking statements relating to but not limited to: our business strategies, plans and objectives and the Acquisition. These forward-looking statements are based on certain key assumptions regarding, among other things: our ability to execute on our business plan for the acquired assets; and our operating activities; the availability and cost of labour and other industry services; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; and current industry conditions, laws and regulations continuing in effect (or, where changes are proposed, such changes being adopted as anticipated). Readers are cautioned that such assumptions, although considered reasonable by Tidewater at the time of preparation, may prove to be incorrect.

Actual results achieved will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

The above summary of assumptions and risks related to forward-looking statements in this press release has been provided in order to provide shareholders and potential investors with a more complete perspective on Tidewater's current and future operations and such information may not be appropriate for other purposes. There is no representation by Tidewater that actual results achieved will be the same in whole or in part as those referenced in the forward-looking statements and Tidewater does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

In this press release Tidewater has used terms that are not defined by GAAP but are used by management to evaluate the performance of the Corporation. Since non-GAAP and additional GAAP measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that non-GAAP and additional GAAP measures are clearly defined, qualified and reconciled to their nearest GAAP measure. Except as otherwise indicated, these non-GAAP and additional GAAP measures will be calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of non-GAAP and additional GAAP measures is to provide additional useful information to investors and analysts though the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate these non-GAAP and additional GAAP measures differently.

EBITDA is a non-GAAP measures. EBITDA is calculated as income or loss before interest, taxes, depreciation and amortization.

U.S. Securities Laws

This press release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended, or any state securities laws and may not be offered or sold within the United States unless an exemption from such registration is available.

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TSX Venture Exchange

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