TIDEWATER
Midstream and Infrastructure Ltd.

Management's Discussion and Analysis

For the three month period ended March 31, 2023

May 10, 2023

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 May 10, 2023, and should be read in conjunction with Tidewater's unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2023 and 2022 (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), 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 by the Audit Committee of Tidewater's Board of Directors (the "Board") and approved by the Board.

BUSINESS OVERVIEW

Tidewater is a diversified energy infrastructure company with an integrated value chain across the North American gas processing, natural gas liquids ("NGL"), petroleum refining, and renewable fuels markets.

Tidewater's key midstream assets include the Pipestone Gas Plant, a deep-cut sour natural gas processing and NGL terminal facility which has the majority of its volumes under take-or-pay contracts; 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 sulphur handling solutions and rail connections.

Tidewater's downstream assets diversify commodity exposure by supplying highly profitable refined products to a niche market and provides an asset base for renewables initiatives. The key downstream asset is the Prince George Refinery ("PGR"), the sole light oil refinery within the interior British Columbia market. The PGR refines crude oil feedstock into gasoline and diesel and is where Tidewater Renewable's co-processing activities take place. The Hydrogen Derived Renewable Diesel Complex ("HDRD Complex"), currently under construction, is also located at PGR. The terminals at Acheson and Valhalla integrate with and have the ability to transfer volumes to the PGR and provide product blending, storage, and fractionation capabilities.

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

Additional information relating to Tidewater is available on SEDAR at www.sedar.com and at www.tidewatermidstream.com.

HIGHLIGHTS

- Total midstream throughput volumes of 390 MMcf/day represent a 6% increase over the previous quarter. The Corporation's Pipestone Gas Plant processed record volumes for the quarter benefitting from planned turnaround work that took place in the fourth quarter of 2022.
- Midstream operations contributed approximately 50% of Tidewater's first quarter 2023 consolidated adjusted EBITDA[1] of $48.9 million and a net loss attributable to shareholders of $24.8 million for the quarter.
- With the support of its syndicate of lenders, Tidewater extended the term of its senior secured credit facility from August 2024 to February 2026.
- Tidewater has completed approximately 90% of its first scheduled four-year turnaround at the PGR, which represents the majority of the Corporation's 2023 budgeted maintenance capital.
- In April of 2023, Tidewater Renewables received incremental government support of $43 million and subsequently received support to increase its borrowing capacity by a total of $50 million to complete and commission the HDRD Complex.
- Construction of Tidewater Renewables' HDRD Complex is scheduled for completion in June 2023, at which point commercial operations will commence and increase into the third quarter of 2023. Tidewater Renewables is forecasting an average utilization rate of 75% to 80% of its design capacity during the second half of 2023.

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[1] Adjusted EBITDA is a non-GAAP financial measure. See the "Non-GAAP Measures" section for more information on the composition of these measures.

CONSOLIDATED AND DECONSOLIDATED FINANCIAL HIGHLIGHTS

In addition to reviewing consolidated results, management also reviews net (loss) income attributable to shareholders, net (loss) income attributable to shareholders per share, adjusted EBITDA, distributable cash flow attributed to shareholders, distributable cash flow attributed to shareholders per share, dividends declared, dividends declared per share, net debt, and capital expenditures, excluding the impact of the Corporation's ownership in Tidewater Renewables Ltd. (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 for more information on the composition of these values.

	Three months ended March 31							
	Tidewater Deconsolidated [(2)]				Tidewater Consolidated			
(in millions of Canadian dollars except per share information)	**2023**		2022		**2023**		2022	
Net (loss) income attributable to shareholders	**$**	**(12.1)**	$	26.5	**$**	**(24.8)**	$	41.2
Net (loss) income attributable to shareholders per share - basic	**$**	**(0.03)**	$	0.08	**$**	**(0.06)**	$	0.12
Adjusted EBITDA [(1)]	**$**	**36.3**	$	44.7	**$**	**48.9**	$	57.4
Distributable cash flow attributable to shareholders [(1)]	**$**	**(2.1)**	$	16.9	**$**	**1.5**	$	22.3
Distributable cash flow per share – basic [(1)]	**$**	**-**	$	0.05	**$**	**-**	$	0.07
Dividends declared [(3)]	**$**	**4.2**	$	3.4	**$**	**4.2**	$	3.4
Dividends declared per share	**$**	**0.01**	$	0.01	**$**	**0.01**	$	0.01
Net debt [(4)]	**$**	**563.8**	$	606.7	**$**	**842.4**	$	673.1
Total capital expenditures	**$**	**21.9**	$	17.6	**$**	**106.1**	$	65.0

(1) Non-GAAP financial measures. See the "Non-GAAP Measures" section of this MD&A for information.
(2) Deconsolidated results exclude the results of Tidewater Renewables. See the "Non-GAAP Measures" section of this MD&A for information on deconsolidated measures.
(3) Dividends declared are based on Tidewater's outstanding common shares that are publicly traded on the TSX under the symbol "TWM".
(4) Capital management measure. See the "Non-GAAP Measures" section of this MD&A for information.

Deconsolidated results in the table above for the three months ended March 31, 2023, were primarily impacted by:

- unrealized losses on derivative contracts compared to unrealized gains recognized in the comparative period;
- lower realized gains on derivative contracts compared to the comparative period;
- lower diesel product margins from reduced commodity prices;
- lower cash flow from operating activities, before changes in non-cash working capital; and
- higher maintenance capital expenditures for preliminary work on the scheduled turnaround at the PGR.

Consolidated results in the table above for three months ended March 31, 2023, were primarily impacted by:

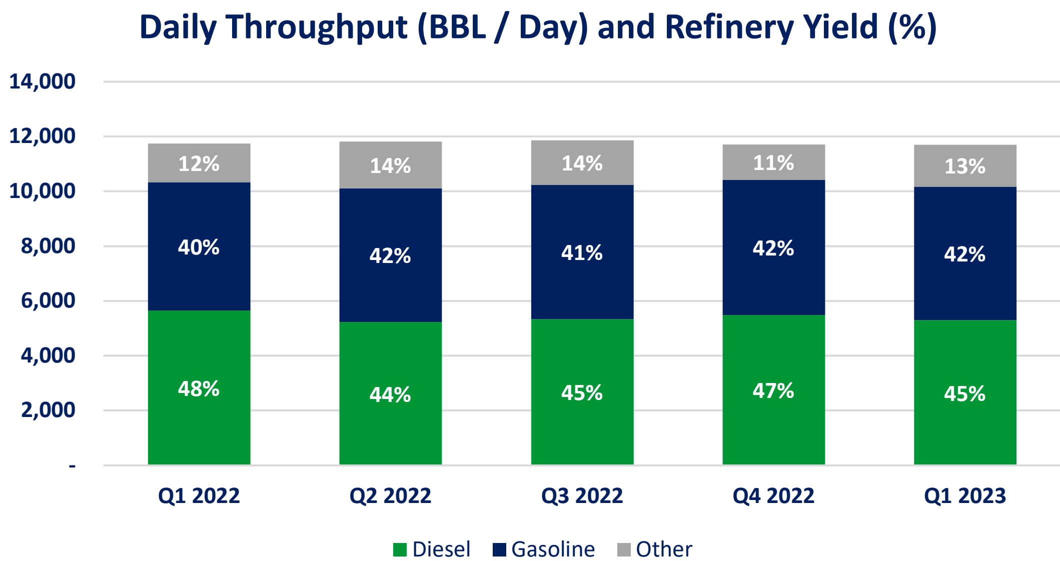
- unrealized losses on derivative contracts compared to unrealized gains recognized in the comparative period;
- lower realized gains on derivative contracts compared to the comparative period;
- lower diesel product margins from reduced commodity prices;
- Increased finance costs due to higher net debt and interest rates;
- lower cash flow from operating activities, before changes in non-cash working capital; and
- higher growth and maintenance capital expenditures.

OUTLOOK AND CORPORATE UPDATE

Prince George Refinery

PGR is a 12,000 bbl/day light oil refinery that predominantly produces low sulphur diesel and gasoline to supply the greater Prince George region. PGR has significant onsite storage capacity of more than 1.0 MMbbl and flexible logistics, with pipeline, rail, and truck connectivity in place. The Prince George region is a net importer of refined products, and the refinery's location within the region makes it a critical piece of infrastructure with a significant logistical advantage to satisfy demand in central/northern British Columbia ("BC").

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



During the first quarter of 2023, total throughput was approximately 11,700 bbl/day, consistent with the fourth quarter of 2022.

Tidewater's refining margins are largely driven by commodity prices, particularly the cost of crude feedstock and other raw materials, along with market prices for refined products. The Prince George crack spread averaged approximately $90/bbl during the quarter, a 10% decrease from the fourth quarter of 2022. The decrease in the Prince George crack spread was mainly attributed to lower diesel rack pricing. As a result, PGR realized lower margins on diesel as compared to the fourth quarter of 2022. Diesel sales volumes have remained consistent with both the first and fourth quarters of 2022. Gasoline sales volumes in the first quarter of 2023 decreased as compared to both the previous quarter and the first quarter of 2022.

Early in the second quarter of 2023, Tidewater commenced its scheduled four-year turnaround at the PGR. The turnaround is approximately 90% complete and is expected to be completed on schedule and on budget. The refinery operations are scheduled to fully resume in the second half of May 2023, prior to the seasonal increase in refined product demand due to the summer driving season.

Pipestone Gas Plant

The Pipestone Gas Plant is designed to process up to 110 MMcf/day of sour natural gas. The Pipestone Gas Plant has two acid gas injection wells, a saltwater disposal well and sales gas pipelines directly connected to the Pipestone Gas Storage Facility and the Alliance and NGTL pipeline systems. The facility is also pipeline connected to Pembina's liquids gathering systems for the C2+ and C5+ liquids streams.

The Pipestone Gas Plant processed volumes of 104 MMcf/day in the first quarter of 2023, a 7% increase from the first quarter of 2022 and an increase of 17% from the fourth quarter of 2022. Facility availability for the first quarter of 2023 averaged 97%, a 4% increase from the first quarter of 2022, and a 12% increase from the fourth quarter of 2022. The increase in facility uptime and processed volumes is attributable to the Pipestone Gas Plant's planned turnaround which was successfully completed early in the fourth quarter of 2022. The local Montney formation remains very active, and the plant remains fully contracted with over 80% committed capacity on take-or-pay arrangements.

Brazeau River Complex and Fractionation Facility

The BRC offers a full suite of services to producers, including 180 MMcf/day 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 egress connections.

Throughput at the BRC gas processing facility in the first quarter of 2023 was 158 MMcf/day, in line with the fourth quarter of 2022 and 30% higher relative to the first quarter of 2022. The Brazeau River fractionation facility was able to maintain steady operations during the first quarter of 2023 by maintaining stable plant production and truck in volumes. The fractionation facility utilization averaged 76%, in line with the fourth quarter of 2022.

Tidewater Renewables

Tidewater Renewables is a multi-faceted energy transition company, focused on the production of low carbon fuels, including renewable diesel, renewable natural gas and renewable hydrogen.

Tidewater Renewables is nearing the commencement of commercial operations of Canada's first standalone renewable diesel facility. The HDRD Complex is designed to produce 3,000 bbl/d of renewable diesel and to utilize renewable hydrogen to reduce its carbon intensity. As the HDRD Complex ramps-up in the second half of 2023, it is expected to operate at between 75% to 80% of its design capacity.

CAPITAL PROGRAM

The Corporation's capital program is focused on the completion of Tidewater Renewable's HDRD Complex and the planned major turnaround at the PGR during the second quarter of 2023.

The HDRD Complex's projected gross cost of approximately $342 million remains in line with previous guidance, while the net project cost forecast has decreased from $217 million to approximately $174 million. The decrease is attributable to incremental capital emission credits that were granted to, and subsequently sold by, Tidewater Renewables for cash proceeds of $43.2 million in April, 2023. Commercial operations are expected to commence by the end of the second quarter of 2023, and the projects economics remain attractive, with payout expected within two to three years of operations.

The Corporation's 2023 maintenance capital activities are weighted to the first half of 2023, with the four-year turnaround at the PGR nearing completion. The turnaround remains on schedule and on budget, and as a result the Corporation continues to forecast 2023 deconsolidated maintenance capital[(1)] to range between $55 million to $65 million, consistent with the previous guidance.

RESULTS OF OPERATIONS

Financial overview

(in millions of Canadian dollars except per share and percentage information)	Three months ended March 31, 2023	2022
Revenue	**$ 614.5**	$ 658.4
Operating expenses	**$ 563.2**	$ 604.6
General and administrative	**$ 11.2**	$ 9.7
Share-based compensation	**$ 4.0**	$ 3.5
Depreciation	**$ 21.9**	$ 19.9
Finance costs and other	**$ 24.1**	$ 16.1
Realized gain on derivative contracts	**$ (7.2)**	$ (13.2)
Unrealized loss (gain) on derivative contracts	**$ 34.5**	$ (45.5)
Loss (gain) on sale of assets	**$ 2.0**	$ (1.2)
Loss from equity investments	**$ 0.4**	$ 1.6
Transaction costs	**$ 0.4**	$ 0.2
Deferred income tax (recovery) expense	**$ (9.0)**	$ 15.7
Net (loss) income attributable to shareholders	**$ (24.8)**	$ 41.2
Basic net (loss) income attributable to shareholders per share	**$ (0.06)**	$ 0.12
Diluted net (loss) income attributable to shareholders per share	**$ (0.06)**	$ 0.10
Net cash provided by operating activities	**$ 37.1**	$ 52.2
Total common shares outstanding (millions)	**424.8**	341.8
Total consolidated assets	**$ 2,281.0**	$ 2,170.3
Payout ratio [(1)]	**280%**	15%

(1) Payout ratio is a non-GAAP ratio. See the "Non-GAAP Measures" section of this MD&A for information.

[(1)] Deconsolidated maintenance capital is a supplementary financial measure. See the "Non-GAAP Measures" section for more information on the composition of this measure.

Results overview

Gross margin by revenue category

(in millions of Canadian dollars) **Three months ended March 31, 2023**		**Midstream**		**Downstream**		**Marketing and Other**		**Total**
Revenue from external customers	**$**	**59.6**	**$**	**210.7**	**$**	**344.2**	**$**	**614.5**
Operating expenses from external vendors		**29.9**		**183.8**		**349.5**		**563.2**
Gross margin	**$**	**29.7**	**$**	**26.9**	**$**	**(5.3)**	**$**	**51.3**

Three months ended March 31, 2022		**Midstream**		**Downstream**		**Marketing and Other**		**Total**
Revenue from external customers	$	53.3	$	215.2	$	389.9	$	658.4
Operating expenses from external vendors		27.1		189.0		388.5		604.6
Gross margin	$	26.2	$	26.2	$	1.4	$	53.8

Revenue and operating expenses

Revenue decreased by 7% to $614.5 million in the first quarter of 2023, from $658.4 million in the same period of 2022, primarily due to lower commodity prices. The lower pricing was partially offset by higher net throughput volumes at Tidewater's natural gas processing and extraction facilities, which averaged 461 MMcf/day during the first quarter of 2023, a 13% increase compared with the 408 MMcf/day in the same period of 2022. Higher current quarter throughput was achieved at the Pipestone Gas Plant, BRC and Ram River gas plant after the successful completion of planned turnarounds in 2022.

Operating expenses in the first quarter of 2023 were $563.2 million, a decrease of 7% compared to $604.6 million in the first quarter of 2022, as a result of lower feedstock costs and lower commodity prices for marketing and extraction purchases at the Corporation's facilities. The decreased cost of feedstock purchases was partially offset by unfavourable changes in derivative contracts. Realized and unrealized hedging losses related to the Corporation's risk management policy help to minimize exposure to fluctuations in commodity prices.

General and administrative

General and administrative expenses in the three months ended March 31, 2023, were $11.2 million, compared to $9.7 million in the same period of 2022. The increase was primarily due to higher costs for additional employees required to support operations, including new employees for Tidewater Renewables.

Share-based compensation

Tidewater incurred share-based compensation costs of $4.0 million in the three months ended March 31, 2023, compared to $3.5 million in the three months ended March 31, 2022. The increase is primarily attributable to the timing of long-term incentive grants issued to employees and a higher number of share awards issued by Tidewater Renewables in the second half of 2022.

Depreciation

Depreciation expense in the three months ended March 31, 2023, was $21.9 million, compared to $19.9 million in the three months ended March 31, 2022. The increase is primarily attributable to depreciation of capital turnaround costs incurred at the Pipestone Gas Plant, Ram River Gas Plant and BRC in the second and third quarters of 2022.

Finance costs and other

Finance costs and other in the three months ended March 31, 2023, were $24.1 million, compared to $16.1 million in the same period of 2022. Higher interest expense was largely attributed to increased draws on Tidewater Renewables' Senior Credit and AIMCo facilities to fund the construction of the HDRD Complex, higher variable interest rates on all facilities, and higher realized foreign exchange losses.

Realized gain on derivative contracts

The realized gain on derivative contracts for the three months ended March 31, 2023, was $7.2 million compared to $13.2 million for the same period in 2022. The realized gains for the current period were predominantly driven by the settlement of interest rate, vegetable oil, and crude oil hedges.

Unrealized loss (gain) on derivative contracts

The unrealized non-cash loss on derivative contracts for the three months ended March 31, 2023, was $34.5 million, compared to an unrealized gain of $45.5 million for the three months ended March 31, 2022. The quarter-over-quarter change is primarily due to volatility in vegetable oil derivative contracts used to manage the commodity price risk for Tidewater Renewables' co-processing and renewable diesel operations. Partially offsetting the unrealized loss on commodity derivative contracts was an unrealized non-cash gain recognized on the revaluation of the warrant liability to fair value. The revaluation gain is primarily a result of Tidewater Renewable's lower closing share price at March 31, 2023, compared to December 31, 2022.

(Loss) gain on sale of assets

During the first quarter of 2023, the Corporation disposed of certain non-core assets for a loss of $2.0 million.

Loss from equity investments

Loss from equity investments was $0.4 million for the three months ended March 31, 2023, compared to a $1.6 million loss in the same period of 2022. The smaller loss in the current period is due to the contribution of equity income from Tidewater Renewable's investment in Rimrock Cattle Company Ltd., which partially offsets the loss from Tidewater Midstream's investment in Tidewater Pipestone Infrastructure LP.

Deferred income tax (recovery) expense

The deferred income tax recovery for the three months ended March 31, 2023, was $9.0 million compared to a deferred tax expense of $15.7 million in the comparative period. The deferred income tax recovery is a result of the net loss before tax for the three months ended March 31, 2023, compared to net income before tax for the first quarter of 2022.

Net (loss) income attributable to shareholders

During the three months ended March 31, 2023, the Corporation generated a net loss attributable to shareholders of $24.8 million, compared to net income attributable to shareholders of $41.2 million for the same period of 2022. The decrease in net income was primarily due to non-cash unrealized losses on derivative contracts, partially offset by the deferred income tax recovery recognized in the current period.

Capital Expenditures

The following table summarizes growth and maintenance capital expenditures for the three months ended March 31, 2023 and 2022:

	Three months ended March 31,	
(in millions of Canadian dollars)	**2023**	2022
Growth capital (1)	**$ 92.1**	$ 57.3
Maintenance capital (1)	**14.0**	7.7
Total capital expenditures	**$ 106.1**	$ 65.0
Capital emissions credits awarded (2)	**$ (2.0)**	$ (5.4)

(1) Supplementary financial measures. See the "Non-GAAP Measures" section of this MD&A for more information.
(2) During the quarter ended March 31, 2023, $18.7 million of capital emission credits were monetized.

Growth capital

Growth capital expenditures for the first quarter of 2023 were $92.1 million, compared to $57.3 million for the first quarter of 2022. The increase in growth capital expenditures is primarily due to construction and commissioning of Tidewater Renewable's HDRD Complex. Additional information on the HDRD project is discussed in the **OUTLOOK AND CORPORATE UPDATE** section of this MD&A.

Growth capital expenditures of $82.5 million were incurred by Tidewater Renewables during the three months ended March 31, 2023, primarily for construction and commissioning of the HDRD Complex. These costs were partially offset by funds received from the sale of emission credits, and government grants received. The remaining growth capital expenditures for the three months ended March 31, 2023, were incurred by Tidewater Midstream for small-scale optimization projects.

Maintenance capital

Tidewater places a high priority on the maintenance of its assets to provide safe and reliable services to its customers. Maintenance capital expenditures for the three months ended March 31, 2023, were $14.0 million, compared to $7.7 million for the same period of 2022. The increase is primarily due to preliminary work on the scheduled plant turnaround at the PGR.

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)	**Q1 2023**	Q4 2022	Q3 2022	Q2 2022
Revenue	**$ 614.5**	$ 711.1	$ 712.1	$ 793.6
Net (loss) income attributable to shareholders	**(24.8)**	(30.0)	(18.8)	16.1
Net (loss) income per share attributable to shareholders – basic	**(0.06)**	(0.07)	(0.05)	0.05
Net (loss) income per share attributable to shareholders – diluted	**(0.06)**	(0.07)	(0.05)	0.04
Consolidated adjusted EBITDA (1)	**$ 48.9**	$ 60.4	$ 62.1	$ 69.9

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

(In millions of Canadian dollars, except per share information)	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Revenue	$ 658.4	$ 534.6	$ 434.0	$ 369.8
Net income (loss) attributable to shareholders	41.2	(3.0)	1.8	64.3
Net income (loss) per share attributable to shareholders – basic	0.12	(0.01)	0.01	0.19
Net income (loss) per share attributable to shareholders – diluted	0.10	(0.01)	0.01	0.16
Consolidated adjusted EBITDA (1)	$ 57.4	$ 53.9	$ 53.1	$ 52.3

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

LIQUIDITY AND CAPITAL RESOURCES

Liquidity Sources

The Corporation's primary liquidity and capital resource needs are to fund ongoing capital expenditures, future growth opportunities, interest payments, working capital and a stable dividend.

Tidewater anticipates that net cash provided by operating activities, of which a portion is derived from fee-based contracts, cash flow generated from growth projects, cash available from its Senior Credit Facilities, and other sources of financing will be sufficient to meet its obligations and financial commitments and will provide sufficient funding for anticipated capital expenditures. The current financial position of the Corporation provides sufficient financial flexibility and resources to manage its liquidity requirements. Accordingly, over the short-term, the Corporation expects to maintain sufficient liquidity sources to fund its ongoing operations, debt service requirements, dividend payments, and working capital needs.

The Corporation's actual expenditures may vary depending on a variety of factors, including the availability of equipment and personnel, unexpected expenses, delays in the receipt of necessary regulatory approvals, permits and licenses, and the success of the Corporation's business development activities, among other variables.

The following table summarizes Tidewater's credit facilities and debt outstanding as at March 31, 2023:

(in millions of Canadian dollars)	Maturity Date	Rate		Facility Amount		Amount Drawn
Tidewater Midstream Senior Credit Facility	February 10, 2026	variable	$	550.0	**$**	**490.4**
Convertible debentures	September 30, 2024	fixed		75.0		**75.0**
Tidewater Midstream total			$	625.0	**$**	**565.4**
Tidewater Renewables Senior Credit Facility	August 18, 2024	variable		150.0		**129.5**
Tidewater Renewables AIMCo Facility	October 24, 2027	variable		150.0		**150.0**
Tidewater Renewables total			$	300.0	**$**	**279.5**
Tidewater Consolidated			$	925.0	**$**	**844.9**

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.

On February 15, 2023, Tidewater Midstream's Senior Credit Facility was amended to extend the maturity date to February 10, 2026. In addition, for the period April 1, 2023, to March 31, 2024, the requirement to maintain minimum availability under the Senior Credit Facility of not less than $50 million has been waived.

On March 27, 2023, Tidewater Renewables amended its Senior Credit Facility and AIMCo Facility, which relaxed the debt to adjusted EBITDA covenant as at March 31, 2023. Subsequent to quarter end, on May 10, 2023, Tidewater Renewables further amended its credit facilities to provide a temporary increase of $25.0 million under both the Senior Credit Facility and the AIMCo Facility (collectively the "Additional Debt Capacity"). Funding remains subject to customary closing conditions. The amendments also waive the financial covenants until and including September 30, 2023. During this period the AIMCo Facility will be subject to an additional 300 bps of interest and the Tidewater Renewables Senior Credit Facility will be subject to an additional 175 bps of interest.

Following the commissioning of the HDRD Complex, any amounts outstanding under the $50.0 million of Additional Debt Capacity are repayable in variable quarterly installments based on Tidewater Renewables cash flows. Tidewater Renewables expects to repay any amounts drawn under the Additional Debt Capacity within the next twelve months.

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.

On occasion, the Corporation issues letters of credit in connection with transactions in which the counterparty requires such security. At March 31, 2023, the Corporation had $58.0 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.

Financial Covenants

The following table is a list of Tidewater Midstream's deconsolidated financial covenants as at March 31, 2023:

	Ratio	March 31, 2023
Deconsolidated debt to adjusted EBITDA	Maximum 4.50:1	3.28
Deconsolidated first lien senior debt to adjusted EBITDA	Maximum 3.50:1	3.28
Adjusted EBITDA to interest coverage	Minimum 2.50:1	3.97

Tidewater Midstream is required to maintain certain deconsolidated financial covenants on a trailing-quarterly basis. The calculations for each of these ratios are based on specific definitions in the agreements governing the Senior Credit Facility, are not in accordance with GAAP, and cannot be easily 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 March 31, 2023, Tidewater Midstream was in compliance with its financial covenants.

The following table is a list of Tidewater Renewables financial covenants as at March 31, 2023:

	Ratio	March 31, 2023
Tidewater Renewables debt to adjusted EBITDA	Maximum 6.05:1	5.24
Tidewater Renewables first lien senior debt to adjusted EBITDA	Maximum 3.50:1	2.43
Adjusted EBITDA to interest coverage	Minimum 2.50:1	4.60

Tidewater Renewable's financial covenants are calculated on a trailing-quarterly basis and include consolidated debt (being Tidewater Renewables' Senior Credit Facility and the AIMCo Facility to adjusted EBITDA, first lien senior debt (being Tidewater Renewables' Senior Credit Facility but excluding the AIMCo Facility) to adjusted EBITDA and an adjusted EBITDA to interest coverage ratio.

The calculations for each of these ratios are based on specific definitions in the agreements governing the Tidewater Renewables' Senior Credit Facility and AIMCo Facility, are not in accordance with GAAP, and cannot be easily calculated by referring to Tidewater Renewables' financial statements. At March 31, 2023, Tidewater Renewables was in compliance with its financial covenants.

Credit Rating

The Corporation is rated by Standard & Poor's as "B" with a stable outlook.

The credit rating is based on Tidewater's financial strength as well as factors not entirely within the Corporation's control, including conditions affecting the energy industry and the economy. The Corporation's ability to access senior unsecured debt in the capital markets depends, in part, on the credit rating. Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. There is no assurance that the rating will remain in effect for any given period of time or will not be revised or withdrawn entirely by the rating agency.

The credit rating assigned by the rating agency is not a recommendation to purchase, hold or sell Tidewater securities, nor does the credit rating comment on market price or suitability for a particular investor.

Cash Flow Summary

The following table summarizes the Corporation's sources and uses of funds for the three months ended March 31, 2023 and 2022:

(in millions of Canadian dollars)	Three months ended March 31,			
Cash flows provided by (used in)		**2023**		2022
Operating activities	**$**	**37.1**	$	52.2
Financing activities	**$**	**48.0**	$	(31.8)
Investing activities	**$**	**(99.6)**	$	(22.5)

Net cash provided by operating activities

Net cash provided by operating activities was $37.1 million for the three months ended March 31, 2023, compared to $52.2 million in the three months ended March 31, 2022. The decrease is primarily attributable to lower realized gains on derivative contracts and changes in non-cash operating working capital.

Cash provided by operating activities will fluctuate quarter-over-quarter because of inventory purchased at PGR, the commodity prices at which inventory is bought and sold, and seasonal demand. Commodity prices and PGR inventory fluctuate period over period and, accordingly, working capital requirements also fluctuate with changes in commodity prices and demand.

Net cash provided by (used in) financing activities

Net cash provided by financing activities was $48.0 million for the three months ended March 31, 2023, compared to net cash used in financing activities of $31.8 million for the three months ended March 31, 2022. The change in cash provided by financing activities is predominantly due to draws on the Corporation's debt facilities during the current quarter to fund capital expenditures.

The Corporation continues to pay dividends on a quarterly basis at $0.01 per common share.

Net cash used in investing activities

Net cash used in investing activities was $99.6 million for the three months ended March 31, 2023, compared to $22.5 million for the three months ended March 31, 2022. The increase was primarily a result of expenditures incurred on the construction of Tidewater Renewables' HDRD Complex, and changes in non-cash investing working capital, partially offset by cash proceeds received from the sale of capital emission credits.

CONTRACTUAL LIABILITIES AND COMMITMENTS

At March 31, 2023, the Corporation had contractual liabilities and commitments related to leased (right-of-use) assets, firm transportation contracts, and long-term debt. Lease liabilities relate to pipelines, storage tanks, rail cars, buildings, field equipment, surface leases, and energy service arrangements. The firm transportation contracts relate to downstream pipelines, ranging from one to thirteen years.

The Corporation had the following contractual obligations and commitments, including those recognized as leases, as at March 31, 2023:

(in millions of Canadian dollars)	Within one year	After one year but not more than five years	More than five years	Total
Accounts payables and accrued liabilities (1)	$ 437.5	$ -	$ -	$ 437.5
Dividends payable	4.2	-	-	4.2
Derivative contracts	18.6	25.7	-	44.3
Warrant liability	5.2	-	-	5.2
Lease liabilities and other (2)	48.6	83.3	72.0	203.9
Bank debt (3)	-	619.9	-	619.9
Term debt (3)	-	150.0	-	150.0
Convertible debentures interest (4)	4.1	2.1	-	6.2
Convertible debentures repayment (3)	-	75.0	-	75.0
Firm transportation contracts (5)	53.5	220.3	260.0	533.8
Total	**$ 571.7**	**$ 1,176.3**	**$ 332.0**	**$ 2,080.0**

(1) Included in accounts payables and accrued liabilities is an obligation of $24.8 million (December 31, 2022 - $24.8 million) secured by crude oil and refined product inventory. The Corporation, at its option, may renew the arrangement every four months, with the current rate being 8% per annum, or settle the obligation for $24.8 million. The next renewal period is from May 2023 to September 2023.

(2) Amounts represent the expected undiscounted cash payments related to lease liabilities and other.

(3) Amounts represent undiscounted principle only and exclude accrued interest.

(4) Fixed interest payments on convertible debentures. The convertible debentures mature on September 30, 2024.

(5) Fixed transportation contracts are presented gross of flow-through operating cost recoveries from customers.

OUTSTANDING EQUITY

At May 9, 2023, Tidewater Midstream had the following outstanding common shares, restricted share units (“RSUs”), deferred share units (“DSUs”) and options:

(In millions)	
Common shares	424.9
RSUs	10.2
DSUs	0.8
Options	13.2

TRANSACTIONS WITH RELATED PARTIES

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

The Corporation contract operates, on a cost recovery basis, the natural gas storage assets in its equity accounted investments. Costs related to contract operating are incurred in the normal course of business and are not accounted for as revenue or expenses in the Corporation’s financial statements, but rather flow-through cost recoveries recorded in accounts receivable.

For the three months ended March 31, 2023, 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, dividends payable, bank debt, term debt, notes payable and convertible debenture liability. 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. Approximately 50% of the Corporation's cash flow is derived from investment-grade counterparties. 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, even though the Corporation considers all commodity, power, interest rate and foreign exchange contracts to be effective economic 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 operation of Tidewater are described within the Corporation's Annual Information Form ("AIF"), an electronic copy of which is available on Tidewater's SEDAR profile at www.sedar.com. In addition, the Corporation's financial risks are discussed in its Financial Statements.

ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Tidewater's significant accounting policies are disclosed in note 3 of the audited consolidated financial statements for the year ended December 31, 2022. There were no new accounting standards or amendments to existing standards adopted by Tidewater in the three months ended March 31, 2023.

Certain accounting policies require that management make appropriate decisions with respect to the formulation of 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 changing circumstances may result in actual results or changes to estimates that differ materially from current 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, 2022.

CONTROL ENVIRONMENT

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*. 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 first quarter of 2023 that had, or are likely to have, a material impact on the Corporation's DC&P or ICFR.

NON-GAAP MEASURES

Throughout this MD&A and in other materials disclosed by the Corporation, Tidewater uses a number of 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. Certain of these financial measures do not have a standardized meaning 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 financial 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 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 (loss) income 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 (loss) income and comprehensive (loss) income. The adjustments made to net income, as described above, are also made to 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. 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 (loss) income, 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 (loss) income, the nearest GAAP measure, to adjusted EBITDA:

	Three months ended March 31,	
(in millions of Canadian dollars)	**2023**	2022
Net (loss) income	**$ (31.0)**	$ 47.0
Deferred income tax (recovery) expense	**(9.0)**	15.7
Depreciation	**21.9**	19.9
Finance costs and other	**24.1**	16.1
Share-based compensation	**4.0**	3.5
Loss (gain) on sale of assets	**2.0**	(1.2)
Unrealized loss (gain) on derivative contracts	**34.5**	(45.5)
Transaction costs	**0.4**	0.2
Non-recurring transactions	**1.3**	0.3
Adjustment to share of profit from equity accounted investments	**0.7**	1.4
Consolidated adjusted EBITDA	**$ 48.9**	$ 57.4
Less: Consolidated adjusted EBITDA attributable to Tidewater Renewables	**(12.6)**	(12.7)
Deconsolidated adjusted EBITDA	**$ 36.3**	$ 44.7

Distributable cash flow attributable to shareholders

Distributable cash flow attributable to shareholders is a non-GAAP measure. Management believes distributable cash flow is a useful metric for investors when assessing the amount of cash flow generated from normal operations and to evaluate the adequacy of internally generated cash flow to fund dividends. Distributable cash flow is calculated as net cash provided by 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.

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:

(in millions of Canadian dollars)	**Three months ended March 31, 2023**	Three months ended March 31, 2022
Net cash provided by operating activities	**$ 37.1**	$ 52.2
Add (deduct):		
Changes in non-cash operating working capital	**5.3**	1.9
Transaction costs	**0.4**	0.2
Non-recurring transactions	**1.3**	0.3
Interest and financing charges	**(14.9)**	(9.8)
Payment of lease liabilities and other, net of sublease payments	**(12.1)**	(12.3)
Maintenance capital	**(14.0)**	(7.7)
Tidewater Renewables' distributable cash flow to non-controlling interest shareholders	**(1.6)**	(2.5)
Distributable cash flow attributable to shareholders	**$ 1.5**	$ 22.3
Tidewater Renewables' distributable cash flow attributed to shareholders of Tidewater	**$ (3.6)**	$ (5.4)
Deconsolidated distributable cash flow attributable to shareholders	**$ (2.1)**	$ 16.9

Growth capital expenditures are generally funded from retained operating cash flow and additional debt or equity, as required.

Non-GAAP Financial Ratios

Tidewater uses non-GAAP financial ratios to present aspects of its financial performance or financial position, including dividend payout ratio and distributable cash flow per share.

Payout ratio

Payout ratio is calculated by expressing dividends declared to shareholders for the period as a percentage of distributable cash flow attributable to shareholders. This measure, in combination with other measures, is used by management, and may be used by the investment community to assess the sustainability of the current dividends.

(in millions of Canadian dollars except percentage information)	**Three months ended March 31, 2023**	Three months ended March 31, 2022
Dividends declared	**$ 4.2**	$ 3.4
Distributable cash flow attributable to shareholders	**$ 1.5**	$ 22.3
Payout ratio	**280%**	15%

Tidewater's objective is to pay out stable dividends throughout the year. There is no assurance regarding the amounts of cash to be distributed by Tidewater or generated by Tidewater and, therefore, the funds available for distribution to its shareholders. The actual amount distributed will depend on a variety of factors, including, without limitation, the performance of the Corporation's assets, the effect of acquisitions on Tidewater and other factors that may be beyond the control of Tidewater. In the event significant capital expenditures are required, or the profitability of Tidewater declines, there would be a decrease in the amount of cash available for distribution to shareholders, and such a decrease could be material. Tidewater's dividend policy is subject to change at the discretion of the Board. The actual amount of future dividends is proposed by management and is subject to the approval and discretion of the Board. The Board reviews future dividends in conjunction with their review of quarterly financial and operating results.

Distributable cash flow per share

Distributable cash flow and deconsolidated distributable cash flow are non-GAAP financial measures. 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.

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.

	Three months ended March 31,			
(in millions of Canadian dollars except share and per share information)		**2023**		2022
Distributable cash flow attributable to shareholders	**$**	**1.5**	$	22.3
Deconsolidated distributable cash flow attributable to shareholders	**$**	**(2.1)**	$	16.9
Weighted average common shares outstanding – basic (millions)		**424.6**		341.8
Weighted average common shares outstanding – diluted (millions)		**424.6**		415.3
Distributable cash flow per share – basic	**$**	**-**	$	0.07
Deconsolidated distributable cash flow per share – basic	**$**	**-**	$	0.05
Distributable cash flow per share – diluted	**$**	**-**	$	0.05
Deconsolidated distributable cash flow per share – diluted	**$**	**-**	$	0.04

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 24 of the audited consolidated financial statements for the year ended December 31, 2022.

Consolidated and deconsolidated net debt

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. Consolidated net debt is defined as bank debt, term debt, notes payable and convertible debentures, less cash.

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)		**March 31, 2023**		**March 31, 2022**
Tidewater Midstream Senior Credit Facility	**$**	**490.4**	$	397.4
Tidewater Renewables Senior Credit Facility		**129.5**		70.0
Tidewater Renewables AIMCo Facility		**150.0**		-
Second Lien Term Loan - principal		**-**		20.0
Notes payable		**-**		124.4
Convertible debentures - principal		**75.0**		75.0
Cash		**(2.5)**		(13.7)
Consolidated net debt	**$**	**842.4**	$	673.1
Less: Tidewater Renewables Senior Credit Facility		**(129.5)**		(70.0)
Less: Tidewater Renewables AIMCo Facility		**(150.0)**		-
Add: Tidewater Renewables cash		**0.9**		3.6
Deconsolidated net debt	**$**	**563.8**	$	606.7

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 (loss) income 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 (loss) income 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.

"Crack spread" refers to the general price differential between crude oil and the petroleum products refined from it.

"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.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively referred to herein as, "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:

- Tidewater's development, completion and commissioning of the Tidewater Renewables' HDRD Complex and the cost forecasts and expected benefits of the project;
- initial operating expectations for Tidewater Renewable's HDRD Complex;
- the completion and costs associated with the PGR turnaround;
- Tidewater Renewables' focus on the production of low carbon fuels, including renewable diesel, renewable hydrogen and renewable natural gas;
- supply and demand for products and services;
- estimated throughput;
- budgets, including future capital, operating or other expenditures and projected costs;
- the activity levels of upstream producers in areas that the Corporation operates;
- expectations regarding maintenance requirements and maintenance capital expenditures;
- the effect of commodity prices on Tidewater's refining margins;
- Tidewater's primary liquidity and capital resource needs are to fund ongoing capital expenditures, future growth opportunities, interest payments, working capital and a stable dividend;
- expectations that net cash provided by operating activities, cash flow generated from growth projects, cash available from its Senior Credit Facilities, and other sources of financing will be sufficient to meet the Corporation's obligations and financial commitments and will provide sufficient funding for anticipated capital expenditures;

- expectations that the current financial position of the Corporation provides sufficient financial flexibility and resources to manage liquidity requirements;
- expectations regarding interest rates and debt repayment by Tidewater Renewables under the Senior Credit Facility and AIMCo Facility;
- expectations regarding the Corporations ability to maintain sufficient liquidity sources to fund its ongoing operations, debt service requirements, dividends and working capital needs;
- the Corporations operation of natural gas storage assets in equity accounted investments;
- the Corporation's use of financial derivative contracts to manage commodity price, power, interest and foreign exchange risk;
- continued consistent performance of the Corporation's facilities;
- demand for refined and renewable products;
- Tidewater's expectations to pay dividends from distributable cash flow;
- expectations relating to legislation and regulations, including environmental legislation and regulations, and the impacts of such governmental actions on the Corporation's operations;
- credit rating changes; and
- the Corporation expectations regarding counterparty credit risk and 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.

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 timely receipt of all governmental and regulatory approvals sought by the Corporation;
- that PGR crack spreads remain strong and refined product demand continues to increase;
- general economic and industry trends, including the duration and effect of the COVID-19 pandemic;
- 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;
- continuing government support for existing policy initiatives;
- 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 amount of future liabilities relating to lawsuits and environmental incidents and the availability of coverage under the Corporation's insurance policies;
- Cenovus volume demands from the PGR 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;
- distributable cash flow and net cash provided by operating activities are consistent with expectations;
- the ability to obtain additional financing on satisfactory terms;

- the availability of capital to fund future capital requirements relating to existing assets and projects;
- the ability of Tidewater to successfully market its products;
- credit rating changes;
- the successful integration of acquisitions and projects into the Corporation's existing business; and
- the Corporation's future debt levels and the ability of the Corporation to repay its debt when due.

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, supply/demand trends, armed hostilities, acts of war, terrorism, cyberattacks, diplomatic developments and inflationary pressures;
- activities of producers and customers and overall industry activity levels;
- failure to negotiate and conclude any required commercial agreements;
- 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;
- failure to close transactions as contemplated and in accordance with negotiated terms;
- the conflict in Ukraine and the corresponding impact on supply chains and the global economy;
- risks of health epidemics, pandemics, public health emergencies, quarantines, and similar outbreaks, including COVID-19, 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;
- that 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;
- changes in the credit rating of the Corporation, and the impacts of this on the Corporation's access to private and public credit markets in the future and increase the costs of borrowing;
- 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
- reliance on key personnel;
- technology and security risks, including cybersecurity;
- potential losses which would stem 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.

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.

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 off them do so, 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 the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.