



TIDEWATER

Midstream and Infrastructure Ltd.

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2023

March 14, 2024

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SCHEDULE

SCHEDULE A – Audit Committee Charter

GENERAL MATTERS

The information in this annual information form (“**AIF**”) is given as at and for the financial year ended December 31, 2023, unless otherwise indicated. All dollar amounts set forth in this AIF are in Canadian dollars, unless otherwise indicated.

The audited consolidated financial statements (the “**Annual Financial Statements**”) for the year ended December 31, 2023, and related management’s discussion and analysis (the “**MD&A**”), of Tidewater Midstream and Infrastructure Ltd. (“**Tidewater**” or the “**Corporation**”) are hereby specifically incorporated by reference in this AIF. Copies of these documents are available on SEDAR+ at www.sedarplus.com.

Glossary and Abbreviations

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms and abbreviations shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing a gender include any genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time:

“**bbl**” or “**bbls**” means barrels;

“**bbls/d**” means barrels per day;

“**Board**” means the board of directors of the Corporation;

“**BRC**” means the Brazeau River Complex located in the West Pembina region in central Alberta, wherein the Corporation has a 100% interest, and which consists of a 235 MMcf/d deep-cut gas processing facility with approximately 10,000 bbls/d of liquid fractionation capability;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**condensate**” means a mixture of hydrocarbons consisting primarily of pentanes and heavier liquids extracted from natural gas;

“**COVID-19**” means the novel coronavirus named COVID-19 and the associated pandemic;

“**crude oil**” means a naturally occurring mixture of liquid hydrocarbons which occurs in many varieties, or grades, which are often categorized by properties such as density and sulphur content;

“**diesel**” means combustible petroleum distillate used as a fuel for diesel engines;

“**Dimsdale Natural Gas Storage Facility**” means the natural gas storage facility in the Pipestone area near Grande Prairie, Alberta, formerly operated by the Corporation;

“**fee-based processing**” means a processing agreement that provides for a fee per unit of production sold or service provided and is generally not subject to commodity price risk;

“**feedstock**” means a raw material required for an industrial process such as crude oil refining;

“**fractionation**” means the process of using temperature and pressure to separate a mixture of NGLs with differing boiling points into individual products such as ethane, propane or butane;

“**gasoline**” means a volatile, flammable liquid mixture of hydrocarbon obtained from crude oil;

“**HDRD Complex**” means Tidewater Renewables’ 3,000 bbl/d renewable diesel and renewable hydrogen facility located on-site at the PGR;

“**Mbbl/d**” means thousand barrels per day;

“**Mcf**” means thousand standard cubic feet;

“**Mcf/d**” means thousand standard cubic feet per day;

“**MMbbl**” means million barrels;

“**MMcf**” means million cubic feet;

“**MMcf/d**” means million cubic feet per day;

“**NGL**” or “**NGLs**” means natural gas liquids, consisting of any one of ethane, propane, butane and condensate or a combination thereof;

“**PGR**” means the 12.0 Mbb/d light oil refinery located in Prince George, British Columbia;

“**Pioneer Pipeline**” means the 120 km natural gas pipeline connecting the BRC to TransAlta’s generating units at Keephills and an 11km lateral connecting to Sundance;

“**Pipestone Assets**” means the Pipestone Gas Plant, Pipestone Phase II and Dimsdale Natural Gas Storage Facility;

“**Pipestone Gas Plant**” means the 110 MMcf/d sour, deep-cut Montney gas plant with acid gas injection and gathering pipeline network, in the Pipestone area near Grande Prairie, Alberta, formerly operated by the Corporation;

“**Pipestone Phase II**” means the Pipestone Gas Plant expansion project expected to add 100 MMcf/day of sour natural gas processing to the Pipestone Gas Plant;

“**Ram River Gas Plant**” means the 95% operated working interest in the rail-connected 600 MMcf/d processing facility located in the Strachan region in west central Alberta;

“**refined products**” includes gasoline and low sulfur diesel from the PGR;

“**Senior Credit Facilities**” together, means the revolving credit facilities of Tidewater and Tidewater Renewables with each being a “**Senior Credit Facility**”;

“**Shareholders**” means holders of Common Shares;

“**shrinkage gas**” means the natural gas supplied by an NGL extractor to replace energy shrinkage for the benefit of the shipper(s) where NGL was removed from shipper(s) gas;

“**take-or-pay**” means a form of contract in which the payor is obligated to pay regardless of whether or not the payor uses the services, volumes or capacity available under the contract;

“**terminalling**” means the receipt of NGLs and petroleum products for storage into storage tanks and other related equipment, including pipelines, where the NGLs will be commingled with other products of similar quality; the storage of NGLs; and the delivery of NGLs as directed by a distributor into a truck, vessel or pipeline;

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

“**Tidewater**” or the “**Corporation**” means Tidewater Midstream and Infrastructure Ltd.;

“**Tidewater Renewables**” means Tidewater Renewables Ltd., a publicly traded subsidiary of Tidewater in which it holds an approximate 69% interest (the remaining 31% is publicly owned). See “*Corporate Structure*”;

“**Tidewater Renewables Common Shares**” means the common shares in the capital of Tidewater Renewables; and

“**TransAlta**” means TransAlta Corporation.

Conversions

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To	Multiply by
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls	6.293
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

Forward-Looking Statements

Certain statements contained in this AIF constitute forward-looking statements and forward-looking information (collectively referred to herein as “**forward-looking statements**”) within the meaning of applicable Canadian securities laws. These statements relate to future events or the future performance of Tidewater. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are often but not always identified by such words. These statements involve known and unknown risks, 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 AIF should not be unduly relied upon. These forward-looking statements speak only as of the date of this AIF.

In particular, this AIF contains forward-looking statements pertaining to the following:

- Tidewater’s ability to benefit from the combination of growth opportunities and the ability to grow through capital projects;
- Tidewater’s acquisition and divestiture strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the impact of inflation, and government’s corresponding measures to deal with inflation, on the Corporation’s business, financial position, results of operations, cash flows and/or ability to pay outstanding indebtedness;
- the successful integration of acquisitions and projects into Tidewater’s existing business;
- operating risks and related insurance coverage;
- expected project and operational schedules, regulatory timelines, completion/in-service dates, capital expenditures and capacities associated with capital projects;
- the emergence of accretive growth opportunities;
- supply and demand for products and services;
- budgets, including future capital, operating or other expenditures and projected costs;
- estimated utilization rates and throughputs;
- Tidewater’s commercial plans at the PGR, including the sale of diesel and gasoline volumes following the expiry of the Cenovus Offtake Agreement (as defined below);
- the review, management and effectiveness of Tidewater’s health, safety, environment and integrity programs;
- the Corporation’s ability to raise capital;
- the Corporation’s treatment under regulatory regimes, tax and other laws;

- competitive conditions and Tidewater's ability to position itself competitively in the industry;
- the effect of producer's operations in the area serviced by Tidewater on the Corporation's business;
- the effect of third party pipeline system operations on the Corporation's business;
- the nature and status of contractual arrangements with third parties in respect of Tidewater's business;
- climate change and climate change related impacts on Tidewater's operations;
- the long-term impact of the conflict in Ukraine on the Corporation's business, financial position, results of operations and/or cash flows;
- the Corporation's plans for an NCIB (as defined below) program; and
- expected levels of operating costs, general administrative costs, costs of services and other costs, expenses and obligations.

Although the forward-looking statements contained in this AIF 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 AIF, the Corporation has made assumptions regarding, but not limited to:

- general economic and industry trends, including the duration and effect of the COVID-19 pandemic;
- future natural gas, crude oil and NGL prices;
- Tidewater's ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner;
- the impact of increasing competition;
- operating costs;
- processing and marketing margins;
- future capital expenditures to be made by Tidewater;
- the ability to obtain additional debt and/or equity financing on satisfactory terms;
- availability of capital to fund future capital requirements relating to existing assets and projects;
- anticipated benefits related to Tidewater Renewables;
- the ability of Tidewater to successfully market its products;
- Tidewater's future debt levels and the ability of Tidewater to repay its debt when due;
- foreign currency, exchange and interest rates;
- projected capital investment levels and the successful and timely implementation of capital projects;
- anticipated timelines and budgets being met in respect of Tidewater's projects and operations;
- that any third party projects relating to Tidewater's growth projects will be sanctioned and completed as expected;
- that any required commercial agreements can be negotiated and completed;
- the ability of Tidewater to successfully implement strategic initiatives and that such initiatives will yield the expected benefits;
- the ability of Tidewater to generate sufficient cash flow from operations to meet its current and future obligations;
- distributable cash flow and net cash provided by operating activities consistent with expectations;
- future operating results and the success of Tidewater's operations;
- that there are no unforeseen material costs relating to the facilities which are not recoverable from customers;
- oil and gas industry expectation and development activity levels and the geographic region of such activity;
- the ability of Tidewater to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its evaluations and activities; and
- the timely receipt of required regulatory approvals.

The Corporation's actual results could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth herein, including but not limited to:

- general economic, political, market and business conditions, including armed hostilities, acts of war, terrorism, cyberattacks, diplomatic developments, fluctuations in interest rates, foreign exchange rates and stock market volatility;
- activities of producers, competitors, customers and others and overall industry activity levels;

- operational matters, including potential hazards inherent in Tidewater’s operations and the effectiveness of health, safety, environmental and integrity programs;
- the conflict in Ukraine and the Middle East and the corresponding impact on supply chains and the global economy;
- fluctuations in commodity prices, inventory levels and supply/demand trends;
- timely receipt of third party, regulatory, environmental and governmental approvals and consents;
- the inflationary economic environment;
- cost overrun on capital projects;
- losses of key customers;
- actions by governmental authorities, including changes in government regulation, tariffs and taxation;
- changes in operating and capital costs, including fluctuations in input costs;
- 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 (“GHG”) emissions;
- Indigenous and landowner consultation requirements;
- activities of other facility owners, including access to third party facilities;
- the ability to secure land and water, including obtaining and maintaining land access rights;
- competition for, among other things, business, capital, acquisition opportunities, requests for proposals, materials, equipment, labour and skilled personnel;
- 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 Tidewater in excess of Tidewater’s insurance coverage, if any;
- fluctuations in the supply and demand for the Corporation’s inputs and products;
- failure of third parties’ reviews, reports and projections to be accurate, including those relating to asset acquisitions;
- risks arising from co-ownership of facilities;
- risks associated with others constructing and contract operating Tidewater’s facilities;
- construction and engineering variables associated with capital projects, including the availability of contractors, materials, 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;
- viability of counterparties and take-or-pay arrangements;
- adverse claims made in respect of Tidewater’s properties or assets;
- risks and liabilities associated with the transportation of dangerous goods;
- effects of weather conditions and catastrophic events, including those caused by climate change (such severe weather or catastrophic events including, but not limited to, fires, floods, lightning, earthquakes, extreme cold weather, storms or explosions);
- seasonal weather patterns
- 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 Tidewater is reliant;
- technical and processing problems, including the availability of equipment and access to properties;
- changes in gas composition and the corresponding effects on the Corporation’s facilities and operations;
- failure to realize the anticipated benefits of acquisitions and dispositions;
- 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;
- the ability of Tidewater to successfully implement strategic initiatives and whether such initiatives yield the expected benefits; and

- other factors, many of which are beyond the control of the Corporation, some of which are discussed under “*Risk Factors*” in this AIF.

Further, because there is interconnectivity between many of the risks Tidewater faces, it is possible that different constellations of risk could materialize which could result in unanticipated outcomes or consequences.

Forward-looking statements and other information contained herein concerning the NGL midstream infrastructure, refining of light crude oils and logistics industry in Canada and the Corporation’s general expectations concerning this industry are based on estimates prepared by management of the Corporation using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any material misstatements regarding any industry data presented herein, the NGL midstream infrastructure, refining of light crude oils, and logistics industry involves numerous risks and uncertainties and is subject to change based on various factors.

The Corporation’s actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive, and they should not unduly rely on the forward-looking statements included in this AIF. These forward-looking statements are made as of the date of this AIF and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, unless required by applicable law. The forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement.

Further information about the factors affecting forward-looking statements and management’s assumptions and analysis thereof, is available in filings made by the Corporation with Canadian provincial securities commissions available on SEDAR+.

Non-GAAP Measures

Certain supplementary measures in this AIF do not have any standardized meaning as prescribed under International Financial Reporting Standards (“**IFRS**”), which are also generally accepted accounting principles (“**GAAP**”) for publicly accountable entities in Canada, and, therefore, are considered non-GAAP measures. Since non-GAAP measures are unlikely to be comparable to similar measures presented by other companies, securities regulations require that non-GAAP measures be clearly defined, qualified and reconciled to their nearest GAAP measure. Except as otherwise indicated, these non-GAAP measures are calculated and disclosed by the Corporation on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of non-GAAP measures is to provide additional useful information with respect to Tidewater’s operational and financial performance 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 measures differently.

In particular, in this AIF, the terms “distributable cash flow”, “growth capital” and “maintenance capital” are used to describe certain financial information of Tidewater. Readers should be cautioned that distributable cash flow is not defined by GAAP and is included in this AIF to describe certain financial information of Tidewater and should not be construed as alternatives to revenue, earnings, gross profit, or other measures of financial results determined in accordance with GAAP as indicators of Tidewater’s performance.

“**distributable cash flow**” is a non-GAAP financial measure and 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. Management of the Corporation 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.

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 vary significantly based on the Corporation's acquisition and divestiture 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.

“growth capital” is a supplementary financial measure 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” is a supplementary financial measure 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.

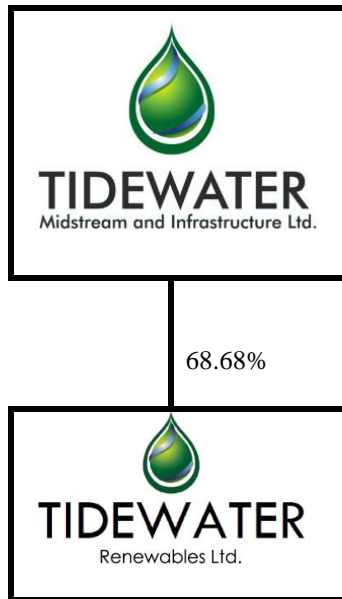
For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the *“Non-GAAP Financial Measures”* section of the Corporation's MD&A available on SEDAR+ at www.sedarplus.com.

CORPORATE STRUCTURE

The Corporation was incorporated under the *Business Corporations Act* (Alberta) (**“ABCA”**) on February 4, 2015. The Corporation's head office is located at Suite 900, 222 – 3rd Avenue S.W., Calgary, Alberta, T2P 0B4 and its registered office is located at 4600, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. The Corporation is a reporting issuer in each of the provinces of Canada. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (**“TSX”**) under the trading symbol **“TWM”**.

Tidewater currently has one material subsidiary, Tidewater Renewables Ltd. (previously defined as **“Tidewater Renewables”**). In August 2021, Tidewater Renewables completed its initial public offering (the **“Tidewater Renewables IPO”**). In connection with the Tidewater Renewables IPO, Tidewater sold certain pre-existing operating assets and growth projects (the **“Acquired Assets”**) to Tidewater Renewables. Tidewater provides certain management, administrative and operational services required for Tidewater Renewables to operate and administer its assets. Tidewater Renewables was incorporated under the ABCA and the percentage of votes attached to all voting securities of Tidewater Renewables beneficially owned, or controlled or directed, directly or indirectly, by Tidewater is approximately 69% (the remaining 31% is publicly owned).

The following chart sets forth the Corporation's relationship with its subsidiary and the percentage of votes attaching to all voting securities of such subsidiary owned by the Corporation. The jurisdiction of incorporation or organization for Tidewater Renewables is Alberta. The chart does not include certain subsidiaries and joint arrangements of Tidewater. The assets and revenues of excluded subsidiaries and joint arrangements did not, individually exceed 10%, and in the aggregate exceed 20% of the total consolidated assets or total consolidated revenues of Tidewater as at December 31, 2023.



Note:

- (1) The remaining 31.32% interest in Tidewater Renewables is publicly owned.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Corporation is a diversified downstream, midstream and infrastructure company engaged in the North American natural gas, NGL, crude oil, refined product and renewable space (collectively, the “**Business**”). Its strategy is to profitably grow and create shareholder value through the acquisition, divestiture and development of conventional and renewable energy infrastructure. Tidewater plans to achieve its business objective by providing customers with a full service, vertically integrated value chain, including midstream and downstream infrastructure, and various renewable initiatives. To complement its infrastructure asset base, the Corporation also markets crude, refined product, natural gas, NGLs and renewable products and services to customers across North America. See “*Business of Tidewater*” for a more detailed description of the business and the business objective of the Corporation.

Three Year History

Period from January 1, 2021 to December 31, 2021

On June 29, 2021, at the Corporation’s annual general and special meeting of Shareholders (the “**2021 AGM**”), the incumbent directors included on the slate of directors put forth by management, namely: Mr. Joel MacLeod, Mr. Douglas Fraser, Ms. Margaret A. (Greta) Raymond and Mr. Robert Colcleugh, were re-elected by Shareholders. Additionally, the nominees put forward by Birch Hill Equity Partners Management Inc. (“**Birch Hill**”) pursuant to a board nomination agreement (the “**Board Nomination Agreement**”) between Birch Hill and the Corporation, originally entered into on March 11, 2020 and amended on May 25, 2020, were elected to the Board. The Board Nomination Agreement provided, among other things, that management of the Corporation was to put forward on their slate of nominee directors for approval by Shareholders at the 2021 AGM: (i) two nominees of Birch Hill (the “**BH Nominees**”) being Michael J. Salamon and Mr. Neil McCarron and (ii) an independent individual nominee being Ms. Gail Yester. The summary of the Board Nomination Agreement is qualified in its entirety by the complete text of the Board Nomination Agreement a copy of which is available under Tidewater’s profile on SEDAR+ at www.sedarplus.com. The Board Nomination Agreement expired pursuant to its terms on January 31, 2022.

On June 30, 2021, the Corporation, together with its partner, TransAlta, announced the closing of the sale of the majority of the assets of Pioneer Pipeline LP to ATCO Gas and Pipelines Ltd. for gross proceeds of \$255 million (the

“**Pioneer Pipeline Disposition**”). Tidewater received net cash proceeds of \$135 million which included the sale of certain ancillary assets to TransAlta that closed concurrently with the Pioneer Pipeline Disposition and cash consideration for certain budgeted restoration work completed by Tidewater at TransAlta’s cost.

On August 18, 2021, Tidewater announced that its then wholly-owned subsidiary, Tidewater Renewables, completed: (i) the Tidewater Renewables IPO via filing of a long-form supplemented PREP prospectus (the “**Prospectus**”); and (ii) its acquisition of the Acquired Assets from Tidewater (the “**Acquisition**”), which assets provided an initial platform for Tidewater Renewables’ renewable diesel, renewable hydrogen, and renewable natural gas business units. Tidewater holds an approximately 69% ownership interest in Tidewater Renewables. As part of the Tidewater Renewables IPO, Tidewater Renewables granted to the underwriters an option (the “**IPO Over-Allotment Option**”), exercisable in whole or in part for a period of 30 days following closing, to purchase, at \$15.00 per Tidewater Renewables Common Share, up to an additional 1.5 million Tidewater Renewables Common Shares (representing 15% of the Tidewater Renewables Common Shares offered under the Prospectus).

The Tidewater Renewables IPO consisted of the offering of 10 million Tidewater Renewables Common Shares at a price of \$15.00 per share, for total gross proceeds to Tidewater Renewables of \$150 million (excluding partial exercise of the IPO Over-Allotment Option by the underwriters, which increased the total gross proceeds of the Tidewater Renewables IPO to \$161 million).

Tidewater Renewables completed the Acquisition, acquiring the Acquired Assets indirectly from Tidewater in exchange for aggregate consideration of \$539 million which consideration was comprised of: (i) \$180 million in cash (including the net proceeds of the Tidewater Renewables IPO and amounts drawn under Tidewater Renewables’ credit facilities); and (ii) 23.9 million Tidewater Renewables Common Shares with a fair market value equal to \$359 million.

Concurrent with the Tidewater Renewables IPO and Acquisition, Tidewater Renewables announced: (i) a positive final investment decision on the HDRD Complex (which entered into service in Q4 2023); and (ii) that the canola co-processing project located on-site at the PGR achieved successful commissioning and start-up, slightly ahead of its planned schedule and that first production of renewable diesel had commenced.

On September 15, 2021 and pursuant to the partial exercise of the IPO Over-Allotment Option, Tidewater Renewables issued 735 thousand Tidewater Renewables Common Shares at a price of \$15.00 per share, for total gross proceeds to Tidewater Renewables of \$11 million. The partial exercise of the IPO Over-Allotment Option increased the total gross proceeds of the Tidewater Renewables IPO to \$161 million.

Period from January 1, 2022 to December 31, 2022

On March 7, 2022, the Corporation released its inaugural ESG Report summarizing the Corporation’s performance on several key environmental, social and governance (“**ESG**”) topics and highlighting the Corporation’s commitment to responsible energy development. The report provides ESG performance metrics for the 2017 – 2020 calendar years and highlights the Corporation’s ESG initiatives including the establishment of an ESG committee (the “**ESG Committee**”), the Corporation’s monetary commitments to various community initiatives in the communities where the Corporation operates and the Corporation’s building of Canada’s first ever renewable diesel facility through Tidewater Renewables.

On August 16, 2022, the Corporation closed its refinancing plan, consisting of a bought deal equity offering (the “**2022 Offering**”), a concurrent private placement, and an increase in the size of the Corporation’s revolving credit facility, fully funding the repayment of its \$20 million second lien term loan due October 31, 2022 and redemption of its \$125 million senior unsecured notes due December 19, 2022.

The 2022 Offering was a distribution of 48.4 million units (“**Units**”) at a price of \$1.20 per Unit (the “**Offering Price**”) for gross proceeds of approximately \$58 million. Each Unit consisted of one Common Share and one-half of one common share purchase warrant (each whole warrant, a “**2022 Offering Warrant**”). Pursuant to the warrant indenture dated August 16, 2022, each 2022 Offering Warrant entitles the holder thereof to acquire one Common Share (a “**2022 Offering Warrant Share**”) at a price of \$1.44 per 2022 Offering Warrant Share until August 16, 2024.

Concurrently with the 2022 Offering and under the same terms thereof, Birch Hill and certain of its affiliates (the “**Birch Hill Investor Group**”), Kicking Horse Capital Inc., as manager of KHC SVP I LP, and entities controlled by

it (collectively, the “**Kicking Horse Investor Group**”) and certain members of management purchased Units at the Offering Price for aggregate gross proceeds of \$35 million on a private placement basis (the “**Concurrent Private Placement**”). In addition, each subscriber was granted an over-allotment option, which was partially exercised on September 16, 2022. Pursuant to the over-allotment option, the Birch Hill Investor Group, the Kicking Horse Investor Group and certain members of management subscribed for an additional 3 million Units, increasing total gross proceeds of the Concurrent Private Placement to \$38 million.

On August 16, 2022, the Corporation increased the size of its Senior Credit Facility by \$130 million to \$550 million through an expanded syndicate of lenders.

As part of the Concurrent Private Placement, the Corporation entered into a board nomination agreement with the Kicking Horse Investor Group (the “**Kicking Horse Board Nomination Agreement**”) whereby the Corporation agreed to nominate Mr. Thomas P. Dea, or another Kicking Horse Investor Group nominee, to the Board so long as the Kicking Horse Investor Group holds at least 2% of the issued and outstanding Common Shares of the Corporation. Thomas P. Dea joined the Board on August 16, 2022.

The Kicking Horse Board Nomination Agreement also granted the Kicking Horse Investor Group a right to participate in future offerings of Common Shares or securities convertible or exchangeable into equity or voting securities so as to allow the Kicking Horse Investor Group to maintain the percentage ownership interest it had immediately prior to completion of the offering or to acquire a percentage ownership interest in the Common Shares of the Corporation of up to 3.6%.

Also as part of the Concurrent Private Placement, the Corporation entered into a pre-emptive rights agreement with the Birch Hill Investor Group (the “**Birch Hill Pre-emptive Rights Agreement**”) which grants the Birch Hill Investor Group the right to participate in future offerings of Common Shares or securities convertible or exchangeable into equity or voting securities so as to allow the Birch Hill Investor Group to maintain the percentage ownership interest it had immediately prior to completion of the offering or to acquire a percentage ownership interest in the Common Shares of the Corporation of up to 23%. This is in addition to the registration rights agreement dated May 20, 2020 (the “**Registration Rights Agreement**”) that provides the Birch Hill Investor Group with customary demand and piggy-back registration rights from and after March 1, 2021 for so long as Birch Hill Investor Group beneficially owns or exercises control and/or direction over not less than 9.9% of the issued and outstanding Common Shares.

Additionally, the Kicking Horse Board Nomination Agreement and Birch Hill Pre-emptive Rights Agreement, respectively, grant each of the Kicking Horse Investor Group and the Birch Hill Investor Group the right, in connection with the conversion, exercise or exchange of existing convertible securities, to subscribe for and be issued the number of Common Shares required to maintain the percentage ownership interest that each had in the Corporation prior to the conversion, exercise or exchange of the existing convertible securities.

The Kicking Horse Board Nomination Agreement and Birch Hill Pre-emptive Rights Agreement each include certain other terms customary for agreements of this nature. The summaries of the Kicking Horse Board Nomination Agreement, Birch Hill Pre-emptive Rights Agreement and Registration Rights Agreement are qualified in their entirety by the complete text of the Kicking Horse Board Nomination Agreement, Birch Hill Pre-emptive Rights Agreement and Registration Rights Agreement copies of which are available under Tidewater’s profile on SEDAR+ at www.sedarplus.com.

On October 24, 2022, Tidewater Renewables announced the closing of a \$150 million five-year senior secured second lien credit facility (the “**Term Debt Facility**”) with an affiliate of Alberta Investment Management Corporation (“**AIMCo**”). The Term Debt Facility’s term is five years, maturing on October 24, 2027, and at closing was drawn down by way of a single advance with net proceeds reflecting a 5% original issue discount. The Term Debt Facility initially bears interest of 6.50% per annum (the “**Base Interest Rate**”), payable semi-annually. The Base Interest Rate increases by 37.5 basis points in year four and year five and is subject to certain inflation escalators, with a potential maximum cash coupon of approximately 8.50% by year five. In conjunction with the Term Debt Facility issuance, Tidewater Renewables issued 3.4 million common share purchase warrants to AIMCo (the “**2022 TWR Warrants**”). Each 2022 TWR Warrant entitles the holder to purchase one Tidewater Renewables Common Share at a price of \$14.84, subject to certain adjustments, for a term of five years.

On November 28, 2022, the Corporation appointed Robert Colcleugh as interim Chief Executive Officer of both Tidewater and Tidewater Renewables, succeeding Joel MacLeod.

During 2022, the Corporation successfully completed planned turnarounds at its Ram River Gas Plant, Pipestone Gas Plant and at the BRC.

Period from January 1, 2023 to December 31, 2023

On February 15, 2023, Tidewater’s Senior Credit Facility was amended to extend the maturity date to February 10, 2026 and the requirement under the Senior Credit Facility to maintain minimum availability of not less than \$50 million was waived for the period between April 1, 2023 and March 31, 2024. On September 29, 2023, Tidewater’s Senior Credit Facility was amended to increase the deconsolidated first lien senior debt to adjusted EBITDA financial covenant from 3.5 to 4.0 for September 30, 2023 and on October 17, 2023, the adjusted covenant was extended to December 31, 2023. After December 31, 2023, the covenant was reverted to 3.5. Additionally, the October 17, 2023 amendment to the Senior Credit Facility increased the capacity of the Corporation’s Senior Credit Facility by \$50 million to \$600 million, with \$30 million of the increase being reserved for the Corporation’s acquisition of the remaining interest in the Dimsdale Natural Gas Storage Facility to facilitate the Pipestone Transaction (as defined below).

On April 13, 2023 Tidewater Renewables announced that it had obtained additional capital emissions credits related to the HDRD Complex, which were sold to third parties for proceeds of \$43.2 million. Subsequently, on May 10, 2023, Tidewater Renewables increased its borrowing capacity by a total of \$50 million (\$25 million under the Tidewater Renewables Senior Credit Facility and \$25 million under the Term Debt Facility) to complete and commission the HDRD Complex. The HDRD Complex produced its first renewable diesel on October 22, 2023 and progressed into commercial operations on November 7, 2023. As of December 31, 2023, the HDRD Complex was producing 1,800 bbl/d representing 60% of nameplate design capacity. The HDRD Complex makes Tidewater Renewables the first standalone producer of renewable diesel in Canada.

During the second quarter of 2023, Tidewater successfully completed the scheduled four-year maintenance turnaround at the PGR on time and on budget.

On August 31, 2023, at the time of the announcement of the Pipestone Transaction (as defined below), the Corporation announced several changes to its executive leadership team including the appointment of the following individuals:

Name	Position
Jeff Scott	Executive Vice President, Downstream Commercial
Matt Millard	Executive Vice President, Downstream Operations
Jared Gurevitch	Executive Vice President, Midstream Commercial
John McGougan	Executive Vice President, Midstream Operations
Shawn Heaney	Executive Vice President, Planning and Strategy

On November 8, 2023, the Corporation appointed Robert Colcleugh as Chief Executive Officer of both the Corporation and Tidewater Renewables.

On December 22, 2023, Tidewater announced the closing of the sale of the Pipestone Assets to AltaGas for aggregate total consideration of approximately \$665 million (the “**Pipestone Transaction**”). The aggregate total consideration consisted of cash proceeds of \$325 million and approximately 12.47 million common shares of AltaGas. On January 9, 2024 the Corporation announced that it had sold the approximately 12.47 million AltaGas common shares received as part of the Pipestone Transaction for proceeds of approximately \$340 million. Concurrently with the closing of the Pipestone Transaction, the Corporation amended and restated its Senior Credit Facility (as defined herein) with a syndicate of domestic and global banks. The amended Senior Credit Facility consists of a revolving facility for \$150 million and a non-revolving facility for \$225 million, totaling an aggregate amount of \$375 million.

BUSINESS OF TIDEWATER

The Corporation is a diversified downstream, midstream and infrastructure company engaged in the Business. Its strategy is to profitably grow and create shareholder value through the acquisition, divestiture and development of conventional and renewable energy infrastructure. Tidewater plans to achieve its business objective by providing customers with a full service, vertically integrated value chain, including midstream and downstream infrastructure, and various renewable initiatives. To complement its infrastructure asset base, the Corporation also markets crude, refined product, natural gas, NGLs and renewable products and services to customers across North America.

Business Strategy

Tidewater's strategy is to profitably grow and create shareholder value through the acquisition and development of conventional and renewable energy infrastructure. Since 2015, Tidewater has been focused on selective acquisitions and divestitures, organic growth projects and optimization of operations at its facilities. As part of its business strategy, Tidewater:

- focuses on operational safety;
- selectively pursues acquisitions and divestitures;
- builds on the interconnectivity of its infrastructure and its integrated business model;
- strives to provide reliable midstream services at a competitive price;
- pursues opportunities to increase throughput at its existing facilities; and
- invests in expansion and optimization opportunities to meet its customer needs and complement its service offerings.

Potential Acquisitions, Issuance of Securities and Financings

Tidewater continues to evaluate potential acquisitions and divestitures of midstream, downstream, and renewable infrastructure and other strategic acquisitions and divestitures as part of its ongoing acquisition and divestiture program. Tidewater regularly evaluates potential acquisitions and divestitures, which individually or together could be material. Tidewater may, in the future, divest of certain assets, issue securities in connection with acquisitions or otherwise and complete financings of equity or debt (which may be convertible into equity), including issuing securities under its base shelf prospectus for a total of up to \$350 million for a period of 25 months from October 6, 2022, for purposes that may include financing of acquisitions, Tidewater's operations and capital expenditures, and repayment of indebtedness. In selecting which capital projects, acquisitions and divestitures to pursue, Tidewater pays close attention to both the macro trends that affect its business, as well as the particular needs of customers and potential customers.

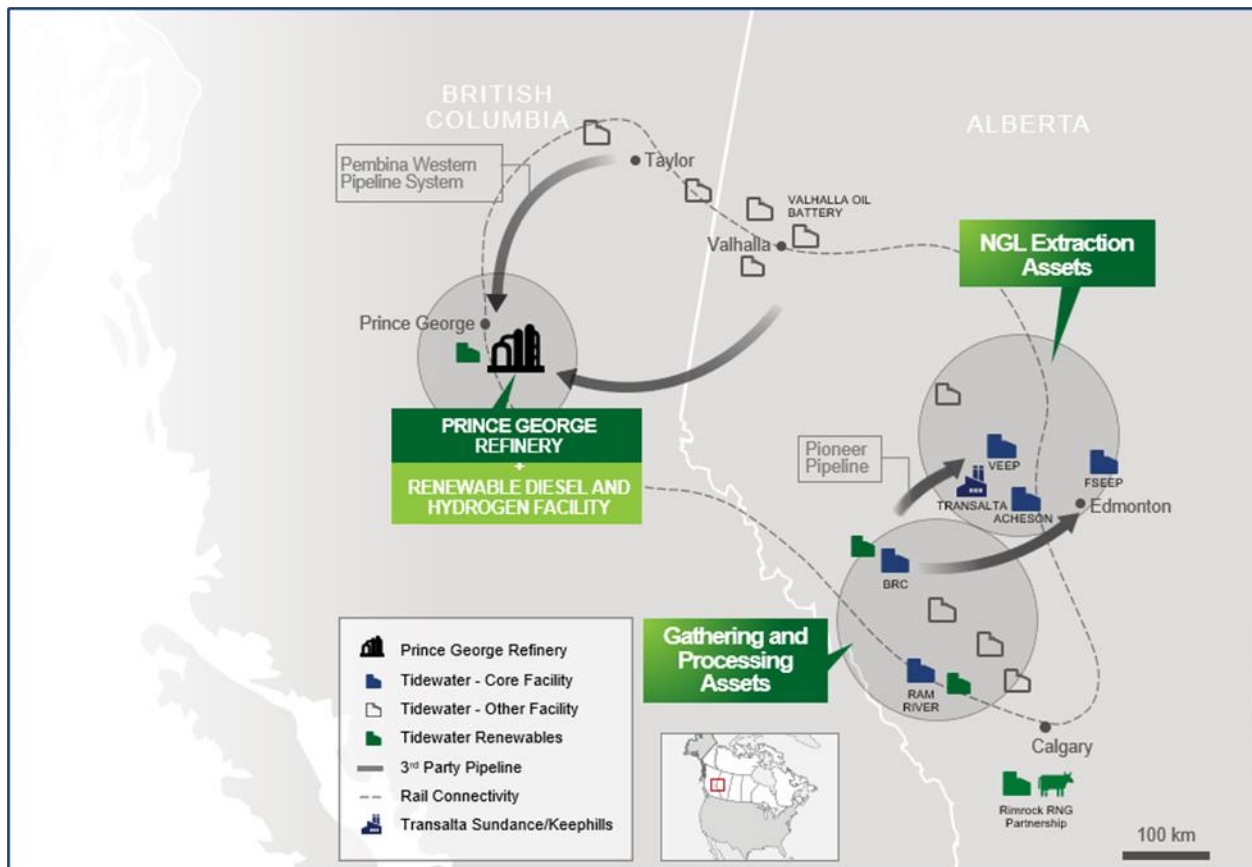
Tidewater's Operations

Tidewater is a diversified downstream, midstream and infrastructure company with an expanding value chain supported by long term contracts and is primarily focused on natural gas, NGL and crude oil midstream infrastructure and light oil refining within the liquids-rich Western Canadian Sedimentary Basin ("WCSB") including the Deep Basin, Montney and Central Alberta core areas as well as Prince George, British Columbia. Through its network of vertically integrated assets described under "*General Development of the Business – Three Year History*", Tidewater is able to offer Canadian producers increased value for: (i) light crude oil by utilizing the PGR and crude oil value chain; and (ii) NGLs by utilizing its NGL infrastructure and railcar assets to bring producer volumes to end markets. Tidewater is actively pursuing end-market development opportunities for Canadian crude oil, natural gas and NGLs in an effort to access better pricing for producers' products. The Corporation has assets strategically located near Prince George, British Columbia, in Central Alberta, and throughout the Deep Basin, which include light oil refining, gas processing, NGL extraction, and natural gas storage infrastructure. These strategic assets provide Tidewater with the opportunity to develop its own crude oil, natural gas and NGL network, which offers takeaway/egress options to producers.

Through Tidewater Renewables, Tidewater is also focused on the production of low carbon fuels, including renewable diesel, renewable hydrogen and renewable natural gas, as well as carbon capture through future initiatives. Tidewater Renewables is also intended to provide access to new pools of capital through a pure-play renewables business, previously inaccessible to Tidewater. The Tidewater Renewables IPO and the Acquisition was structured to capture

the valuation gap that existed between midstream and energy transition assets — resulting in a go-forward vehicle equipped to optimally fund a deep roster of impactful growth projects utilizing the best available cost of capital. Tidewater provides certain management, administrative and operational services required for Tidewater Renewables to operate and administer its assets. See “Corporate Structure” and “General Development of the Business – Three Year History – Period from January 1, 2021 to December 31, 2021”.

The following map shows Tidewater’s principal operations in Canada.



Tidewater utilizes its network of downstream and midstream infrastructure, as well as marketing capabilities and other operations, to provide essential services to its customers. Tidewater Renewables’ assets are co-located at select existing Tidewater facilities, providing a strategic asset base that benefits from the integration with existing Tidewater operations. As at December 31, 2023, the Corporation operated as one operating segment, midstream and infrastructure, as its executive officers reviewed overall operating results in order to assess financial performance and to make resource allocation decisions, rather than to assess a lower level unit of operations in isolation. Revenue streams associated with the downstream, midstream, and marketing and other operating segment include:

- *Downstream* – Tidewater purchases light crude oil and renewable feedstocks and produces refined products including low sulfur diesel, renewable diesel and gasoline. The Corporation’s revenue from this stream was \$1,001.8 million for the year ended December 31, 2022 and \$783.2 million for the year ended December 31, 2023.
- *Midstream* – Tidewater provides fee-based processing services for natural gas, NGL extraction capability as well as toll-based natural gas storage services. The Corporation’s revenue from this stream was \$238.3 million for the year ended December 31, 2022 and \$226.9 million for the year ended December 31, 2023.
- *Marketing and Other* – Tidewater purchases, transports, sells, stores and blends both NGLs and crude oil throughout North America. Additionally, Tidewater engages in some limited upstream oil and gas production

in Western Canada. The Corporation's revenue from this stream was \$1,635.1 million for the year ended December 31, 2022 and \$1,198.6 million for the year ended December 31, 2023.

Downstream

Overview

The PGR is a 12.0 Mbbbl/d light oil refinery that predominantly produces low sulfur diesel and gasoline, in addition to other products, to supply central and northern British Columbia. The PGR has onsite storage capacity in excess of 1.0 MMbbls and flexible logistics, with pipeline, rail and truck connectivity in place.

Regional demand surrounding the PGR is robust and generally the region is in short supply of refined product, with demand having historically been driven by local energy intensive industries including forestry, mining and oil and gas. Tidewater expects demand to continue to be strong as various large-scale infrastructure projects are developed in the greater regional area. Current crude oil/condensate feedstock for the PGR can be supplied by existing light oil and condensate production from B.C. and Alberta, which Tidewater can readily access with its existing and planned midstream footprint. Crude oil feedstock is currently delivered by pipeline from Taylor, B.C. The PGR has optionality to receive feedstock supply by pipeline, rail and truck. The PGR product yields of approximately 45% diesel and approximately 40% gasoline are primarily sold through the Cenovus Offtake Agreement. Approximately 10% of additional PGR product yields are liquefied petroleum gas and heavy fuel oil.

Customers and Contracts

Tidewater entered into a 5-year offtake agreement with Cenovus on November 1, 2019 for approximately 90% of the nameplate capacity on diesel and gasoline volumes produced at the PGR (the "**Cenovus Offtake Agreement**"). The Cenovus Offtake Agreement reflects certain take-or-pay characteristics relating to committed volumes that Cenovus has agreed to purchase and contains pricing review mechanisms. The Cenovus Offtake Agreement expires on November 1, 2024 and Tidewater intends to sell its diesel and gasoline, either under agreements with new purchasers or on the spot diesel and gasoline markets, to users in the regional and Western Canadian markets following the conclusion of this agreement with Cenovus (See "*Risk Factors – Operational Risks – Reliance on Principal Customers, Operators and Suppliers*").

Competition

Tidewater's competition in the downstream revenue stream is limited in the greater regional area of PGR, due to short refined products supply in the region and market structure, but includes major integrated oil and gas companies and their marketing affiliates, investment banks that have established trading platforms and brokers and marketers of varying sizes, financial resources and experience.

Midstream

Overview

Tidewater has ownership interests in numerous natural gas processing, NGL extraction, and natural gas storage facilities in Western Canada, of which it operates the large majority. (See also "*Risk Factors – Operational Risks – Risks Arising from Co-ownership*").

Tidewater's natural gas processing operations generate revenue from fee-based (take-or-pay or fee-for-service basis) processing, NGL storage and terminalling services, and tariff-based pipeline services. Tidewater's NGL extraction operations involve the extraction of NGLs at two operating ethane extraction plants in the Edmonton area as well as NGL fractionation at the BRC. The Corporation also operates a natural gas storage facility located at the BRC (Brazeau Nisku F and Brazeau Nisku A).

The BRC, a 225 MMcf/d deep-cut gas processing facility located in the West Pembina region in central Alberta, was the Corporation's first core asset and includes approximately 10,000 bbls/d of liquid fractionation capability. The Corporation owns a 100% working interest in the BRC and also owns 225 km of gas gathering pipelines connected to the BRC.

Tidewater has a 95% operated working interest in the Ram River Gas Plant, a rail-connected 600 MMcf/d processing facility located in the Strachan region in west central Alberta. Tidewater also has an operated working interest in more than 600 km of pipelines that connect to the Ram River Gas Plant, which run from Narraway and Wapiti and interconnect Ansell, Brazeau, Stolberg and Ferrier, which provide connectivity between Tidewater's core Montney and Deep Basin areas.

At the before mentioned natural gas storage facilities at the BRC, Tidewater has proven injectivity of approximately 45 MMcf/d, proven withdrawal capacity of approximately 20 MMcf/d and total storage capacity of over 92 billion standard cubic feet.

Customers and Contracts

Tidewater provides fee-based processing, storage and terminal services, toll-based gas storage, and tariff-based pipeline services to independent and integrated oil and gas producers. End users for Tidewater's products range from large natural gas utilities, producers, and refiners, to retail customers with product reaching the end markets via major export pipelines and rail infrastructure to which Tidewater is connected. Tidewater's processing contracts are typically structured as fixed fee take-or-pay arrangements, fee-for-service arrangements, and/or reserve or area dedication agreements. The Corporation offers firm natural gas storage capacity to its customers, also supporting the associated processing facilities by offering producers an additional egress option during times of pipeline restrictions.

Competition

Each of Tidewater's gas processing plants is subject to competition from other gas processing plants which are either in the same general vicinity or have gathering systems that are or could potentially extend into geographic regions served by Tidewater's facilities. As well, Tidewater's NGL extraction and natural gas storage facilities are subject to competition from other existing infrastructure, for which competition is anticipated to continue to grow as other companies announce plans for expanded transportation, terminalling and storage services, a trend also expected in other interconnected geographic areas in western Canada and the United States of America ("U.S."). Tidewater's natural gas storage tolls can also be subject to forward seasonal natural gas prices.

Marketing and Other

Overview

Tidewater provides valuable marketing services, including storage, to customers including producers, refiners, third party crude oil markets and downstream consumers. Marketing services take advantage of specific location, quality or time-based opportunities when they are available. Tidewater operates facilities connected to Western Canadian pipeline egress for crude oil and condensate as well as a proprietary rail terminal in Acheson, Alberta. The Acheson rail terminal is connected to transport crude oil by rail both into and out of the province.

The crude oil and NGL marketing businesses are impacted by market price conditions, such as price changes resulting from global and regional supply and demand, as well as government intervention. With its asset base, Tidewater capitalizes on market opportunities between geographical regions. Marketing margins can vary from period to period with fluctuating commodity prices and differentials.

Tidewater's upstream oil and gas production is primarily in Northwestern Alberta. Tidewater production is sold through third party marketing companies at current market prices or, where possible, marketed and sold directly by Tidewater. The upstream oil and gas industry is highly competitive as Tidewater competes for skilled industry personnel, as well as opportunities to maintain and grow production, with numerous larger and smaller companies. Competition may also be presented by alternate fuel sources.

Customers

In the crude oil and NGL marketing businesses, Tidewater's customer base is diversified and includes integrated oil and gas companies, producers, refineries, retail customers, and downstream end users.

Competition

Tidewater’s competitors in the crude oil and NGL marketing businesses include other midstream companies, major integrated oil and gas companies, their marketing affiliates, independent gatherers, investment banks that have established trading platforms and brokers and marketers of widely varying sizes, financial resources, and experience. Transportation options for producers and shippers generally include trucking and rail but can also include pipeline options owned by Tidewater’s competitors.

Employees and Labour Relations

As at December 31, 2023, Tidewater employed approximately 392 permanent employees and 60 contractors and consultants in its operations. Approximately 43 employees employed by Tidewater at the BRC are represented by Unifor Local 431. The collective agreement with Unifor Local 431 expired on January 31, 2023. Additionally, approximately 94 employees employed by Tidewater at the PGR are represented by Unifor Local 1997. In April 2019, Tidewater’s predecessor at the PGR, Husky Energy Inc. (now Cenovus), negotiated a new collective agreement with Unifor Local 1997 that expired on January 31, 2023. In 2024, Tidewater will engage in negotiations for new collective agreements with each of Unifor Local 431 and Unifor Local 1997. Both Unifor Local 431 and Unifor Local 1997 are separate bargaining units.

To date, Tidewater has never experienced a labour-related work stoppage at any of its facilities (See “*Risk Factors – Operational Risks – Labour Relations*”).

Economic Dependence

The Corporation is not a party to any contract for the purchase or sale of services or products or any other agreement upon which its business is substantially dependent, other than the 5-year Cenovus Offtake Agreement for 90% of the nameplate capacity on diesel and gasoline volumes produced at PGR. The Cenovus Offtake Agreement expires on November 1, 2024 and Tidewater has started negotiations with potential purchasers of diesel and gasoline volumes produced at PGR. The Corporation failing to negotiate term sales to the market would result in the Corporation being forced to sell considerably higher volumes on the spot diesel and gasoline markets and would leave the Corporation vulnerable to fluctuations in such markets.

Specialized Skill and Knowledge

Tidewater relies on specialized skills and knowledge to design and operate its crude oil refining and natural gas and NGL gathering, processing extraction, and transportation facilities. Tidewater employs a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff in order to provide the specialized skills and knowledge to effectively undertake its midstream, downstream, renewables, and other operations.

OTHER INFORMATION RELATING TO TIDEWATER’S BUSINESS

Borrowings

Senior Credit Facilities

Tidewater and Tidewater Renewables each have Senior Credit Facilities with a syndicate of lenders. Pursuant to an intercreditor agreement between, among others, Tidewater, the lenders (or agent thereof) and the lenders under Tidewater Renewables’ Senior Credit Facility (or agent thereof), Tidewater acknowledged and agreed that the lenders and the lenders under Tidewater Renewables’ Senior Credit Facility may treat Tidewater and Tidewater Renewables as affiliated and consolidated entities in considering their total exposure, risk rating and capital allocation under the Senior Credit Facilities, or for any other purpose, and may have regard to such considerations with respect to any extension, consent or waiver request or in taking any other discretionary action in respect of the Senior Credit Facilities. The Senior Credit Facilities are not cross collateralized, are not subject to cross defaults, and Tidewater and Tidewater Renewables are not consolidated for the purposes of covenant testing or availability.

Tidewater Midstream Senior Credit Facility

On February 23, 2023, Tidewater amended its Senior Credit Facility to extend the maturity date from August 18, 2024 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 was waived. On September 29, 2023, Tidewater's Senior Credit Facility was amended to increase the deconsolidated first lien senior debt to adjusted EBITDA financial covenant from 3.5 to 4.0 for September 30, 2023 and on October 17, 2023, the adjusted covenant was extended to December 31, 2023. After December 31, 2023, the covenant was reverted to 3.5. Additionally, the October 17, 2023 amendment to the Senior Credit Facility increased the capacity of the Corporation's Senior Credit Facility by \$50 million to \$600 million, with \$30 million of the increase being reserved for the Corporation's acquisition of the remaining interest in the Dimsdale Natural Gas Storage Facility to facilitate the Pipestone Transaction. On December 22, 2023, concurrently with the closing of the Pipestone Transaction, the Corporation amended and restated its Senior Credit Facility with a syndicate of domestic and global banks. The amended Senior Credit Facility consists of a revolving facility for \$150 million and a non-revolving facility for \$225 million, totalling an aggregate amount of \$375 million. The Tidewater Senior Credit Facility is subject to a number of customary covenants and restrictions.

Tidewater Renewables' Senior Credit Facility and Term Debt Facility

Tidewater Renewables' Senior Credit Facility has total aggregate availability of \$175 million and it matures on August 18, 2024. The Senior Credit Facility can be drawn in either Canadian or U.S. funds and bears interest at the agent bank's prime lending rate or banker's acceptance rates, plus applicable margins. Tidewater Renewables' \$175 million Term Debt Facility was drawn down by way of two advances. On October 24, 2022, \$150 million was advanced (the "**Original Principal Amount**") and an additional \$25 million (the "**Additional TWR Debt Capacity**") was advanced on May 10, 2023. The Additional TWR Debt Capacity matures on August 18, 2024, and will be extended to a maximum of August 18, 2025, in the event of an extension of the Senior Credit Facility. The \$25 million of Additional TWR Debt Capacity is also subject to variable quarterly repayments provided that the undrawn aggregate availability under the Corporation's Senior Credit Facility exceeds \$50.0. The variable repayments are based on a portion of Tidewater Renewables' "Excess Cash Flows", as such term is defined in the Term Debt Facility.

The financial covenants under Tidewater Renewables' Senior Credit Facility and Term Debt Facility, were waived at December 31, 2023. This "**Waiver Period**" ends on March 31, 2024, at which time Tidewater Renewables will be required to maintain certain financial covenants on a trailing annualized basis, beginning on January 1, 2024. The calculations for each of these ratios, and the adjusted cash flows used to calculate variable repayments, are based on specific definitions in the agreements governing the Senior Credit Facility and Term Debt Facility, are not in accordance with GAAP, and cannot be easily calculated by referring to the Corporation's financial statements. During the Waiver Period, the Term Debt Facility bears interest of 9.5% per annum. Following the Waiver Period, the base interest rate reverts to 6.7% for the Original Principal Amount and remains at 9.5% for any amount outstanding under the Additional TWR Debt Capacity.

Debentures

On August 8, 2019, Tidewater closed a \$75 million convertible debenture financing of five-year convertible unsecured subordinated debentures (the "**Debentures**") with a syndicate of underwriters. The Debentures have a coupon of 5.5% per annum and are convertible at \$1.86 per Common Share. The Debentures mature on September 30, 2024.

At the holder's option, the Debentures will be convertible into Common Shares at any time prior to the close of business on the earlier of the business day immediately preceding (i) the maturity date, or (ii) if called for redemption, the date fixed for redemption by the Corporation, at a conversion price of \$1.86 per Common Share, subject to adjustments in certain events.

As of September 30, 2023, the Debentures may be redeemed at the option of Tidewater, in whole or in part, at any time prior to maturity at a redemption price equal to the principal amount of the Debentures plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. All or any portion of redemption price or the amount due on maturity may be paid in cash or freely tradeable Common Shares. The number of Common Shares in lieu of cash is calculated by dividing the principal amount of the Debentures by 95% of the 20-day volume weighted average trading price of the Common Shares ending on the fifth trading day preceding the applicable payment date.

Credit Rating

The Corporation is rated by Standard & Poor's ("S&P") as B with a "developing" outlook. The Corporation's outlook was changed from "stable" to "developing" by S&P on October 17, 2023 pending the closing of the Pipestone Transaction. The 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 high yield 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. A credit rating downgrade could limit the Corporation's access to private and public credit markets in the future and increase the costs of borrowing. **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. 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 Corporation paid S&P their customary fees in connection with the provision of the rating. The Corporation has not made any payments to S&P over the past two years for services unrelated to the provision of such rating.

S&P has ten rating categories for credit ratings, which range from "AAA" to "D". The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. In addition, S&P may add a rating outlook of "positive", "negative", "stable" or "developing" which assesses the potential direction of a long-term credit rating over the intermediate term (generally up to one year for speculative grade). The Corporation's B rating is considered speculative grade and is more vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments. The Corporation's rating outlook of "developing" indicates that the current rating may be raised, lowered or affirmed during the intermediate term.

Integrity Management

Tidewater is committed to maintaining the integrity of its pipeline and facility assets. This commitment is integral to Tidewater's business strategy of operating safely, reliably and preserving the longevity of its assets. Tidewater's integrity management systems apply to facility pressure equipment, pressure piping and pipelines and are developed having regard for the applicable regulations, codes and standards which govern the design and operation of these assets.

Through its employees and the integrity management systems, Tidewater continuously strives to minimize the likelihood of incidents and operational downtime, while safeguarding employees, the environment and the communities in which it operates.

Tidewater's integrity management systems apply throughout the complete asset lifecycle from design through retirement. Each program is founded on a process involving identification of hazards that may impact long term integrity of the asset and assessment of risk, establishing plans and activities to mitigate that risk, application of the mitigation under the plan, and monitoring the performance of the program and managing change.

Pipeline Integrity

Tidewater owns over 3,492 km (1,538 km net operating) of pipelines. Tidewater's Pipeline Integrity Management System is designed to evaluate, maintain and assure pipeline health throughout a pipeline's life cycle across the entirety of the pipeline network, and does so by maintaining high standards of work in all aspects of pipeline integrity.

Key elements of the Pipeline Integrity Management System include the design, construction, installation, commissioning, operation, maintenance, decommissioning or abandonment of Tidewater's pipeline systems in accordance with applicable regulations, codes and standards and best business practices. These business practices include but are not limited to: conducting a risk assessment to identify inspection and risk mitigation activities; and measurement of compliance to and performance of the integrity management plan.

Some of the activities undertaken to manage integrity of its pipelines include carrying out in-line inspections and other non-destructive examinations, completing repairs to pipelines to maintain system integrity, application of chemicals

to mitigate corrosion, right of way surveillance, hydrotechnical and geotechnical reviews to minimize the risk of environmental induced changes, third party damage, and depth of cover surveys.

Facility Integrity

Tidewater maintains a Pressure Equipment Integrity Management System for assets associated with its facilities to meet or exceed regulatory requirements. Its integrity programs apply a life cycle approach, the goal of which is to ensure that pressure equipment is designed, constructed, installed, commissioned, operated, maintained, decommissioned, and managed in a manner that reduces any potential loss of containment, that provides worker safety and protects the environment.

Turnarounds at Tidewater's PGR and other processing facilities are planned and executed with the objective of maintaining integrity of pressure equipment, pressure safety valves, piping and tanks, and at the same time complying with federal and other jurisdictional requirements, codes, standards, industry best practices, and the requirements of Tidewater's own integrity management systems. Key pressure equipment inspection and maintenance are conducted during turnarounds. These inspections are scheduled for regular intervals on an ongoing basis in accordance with the Tidewater's Pressure Equipment Integrity Management System.

Health, Safety and Environmental Programs

Tidewater is subject to federal, provincial and municipal health, safety and environmental legislation and associated regulations.

On December 9, 2016, the Canadian federal government adopted the Pan Canadian Framework on Clean Growth and Climate Change (the "**Framework**") in response to the Paris Agreement, which is an international climate agreement adopted by the signatories to the United Nations Framework Convention on Climate Change. In response to the Framework, the Government of Canada established the *Greenhouse Gas Pollution Pricing Act* (the "**GGPPA**") which came into force in 2018. The GGPPA establishes a national floor price on GHG emissions and implements specific GHG emission reducing regulations for methane and upstream oil and gas, liquid renewable fuels, transportation, short-lived climate pollutants, and coal- and natural gas-fired electricity. The GGPPA includes two key parts: (i) a fuel charge ("**Part 1**"); and (ii) an output-based pricing system ("**OBPS**") for industrial facilities ("**Part 2**"). The GGPPA applies, in whole or in part, in provinces that voluntarily adopt the federal standard or that do not have a carbon pricing system in place that meets the federal standard by January 1, 2019. Part 2 of the GGPPA does not apply in Alberta as the province has passed the *Technology Innovation and Emission Reduction Regulation* ("**TIER**"), which was deemed by the federal government to be equivalent to Part 2 of the GGPPA. The fuel charge under Part 1 of the GGPPA applies to Alberta since the province does not currently have an equivalent provincial regime.; as the Government of Alberta repealed the Alberta carbon levy under the *Climate Leadership Act*, however, the GGPPA includes provisions to Owners and operators of facilities who are registered as emitters with the Canada Revenue Agency and are subject to TIER can become eligible for certain exemptions from the fuel charge established under the GGPPA. The Government of Canada has updated the federal benchmark for carbon pricing under the GGPPA post-2022. The updated federal benchmark replaces the less stringent 2018-2022 benchmark and will apply for the 2023-2030 period. Effective as of April 1, 2023, the floor price on carbon emissions was set at \$65 per tonne, with annual carbon price increases of \$15 per tonne of carbon dioxide equivalent ("**CO_{2e}**") GHG emissions (an increase from the \$10 per tonne annual increases implemented between 2018-2022), until the price reaches \$170 per tonne by 2030.

The Government of Canada has also issued the federal *Clean Fuel Regulations* which became effective as of July 1, 2023. The Clean Fuel Regulations mandate a reduction in the carbon intensity of certain liquid transportation fuels such as gasoline and diesel imported into or produced in Canada, starting in 2023. The Clean Fuel Regulations require a 3.5 gCO_{2e}/MJ in carbon intensity from 2016 baseline levels in 2023, increasing to a 14 gCO_{2e}/MJ reduction in carbon intensity by 2030. The regulations build upon the existing federal renewable fuels regulations that require fuel producers and importers to have a specified amount of renewable fuel in gasoline and diesel.

At the twenty eighth meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change the Government of Canada announced details regarding a number of policy initiatives targeting GHG emissions in the oil and gas sector, including proposed amendments to federal methane regulations and a federal framework for an oil and gas emissions cap. The proposed amendments to the current federal methane reduction

regulations are designed to achieve the Government of Canada’s previously stated goal of reducing methane emissions from the oil and gas sector by at least 75% below 2012 levels by 2030. This is to be done through a combined regulatory approach, which imposes certain prohibitions, technical and monitoring requirements, and a performance-based approach which sets out an alternative pathway for compliance to the regulatory approach. The regulatory approach focuses on prohibiting venting of methane subject to limited exceptions, mandating certain technical requirements for combustion systems at oil and gas facilities, and mandating more frequent inspection schedules for facilities that are more likely to emit methane to reduce fugitive emissions. The proposed performance-based approach sets out an alternative approach to compliance by allowing facilities to install continuous monitoring systems and implementing mitigation responses for when emissions are detected. The proposed amendments to the methane regulations are expected to take effect in 2027. The federal framework for an oil and gas emissions cap intends to cap emissions by 2030 at levels 20-23% below 2019, with the use of offsets, and 35-38%, without the use of offsets. The framework would operate by prohibiting oil and gas facilities from emitting GHGs unless they are registered under the cap-and-trade system created under the framework and have an emissions allowance or other credit allowing them to emit a certain amount of GHGs in any given year. The Federal Government is currently seeking input on the framework to help inform the draft regulations which it intends to publish in mid-2024 for comment. The current stated intent is to enact regulations in 2025 with the emissions cap to be phased in between 2026 and 2030.

In Alberta, the *Emissions Management and Climate Resilience Act* provides a framework for managing GHG emissions in the province. The accompanying regulations include the *Specified Gas Reporting Regulation*, which imposes GHG emissions reporting requirements, and TIER. TIER came into force on January 1, 2020 and is an emissions intensity-based regime requiring large emitters to reduce their emissions intensity below a prescribed level. Large emitters can otherwise achieve this through a true-up obligation whereby credits can be applied against such prescribed level, together with or as an alternative to physical abatement, with penalties for failure to achieve compliance. On January 1, 2023, significant amendments to TEIR came into effect. These amendments include, but are not limited to the following:

- increasing the price to obtain a TIER fund credit to \$65 per credit in 2023, with subsequent increases of \$15 per credit annually up to \$170 per credit in 2030, to align TIER with the federal benchmark under GGPPA;
- lowering the minimum emissions opt-in threshold for facilities in an emissions-intensive and trade-exposed sector from 10,000 tonnes of CO₂e per year to 2,000 tonnes of CO₂e;
- the establishment of a new set of TIER credits to facilitate participation by carbon capture, utilization and storage project proponents;
- reducing the expiry period for emissions offsets, emission performance credits and sequestration credits generated in 2023 and beyond to five years after the credits were generated from the previous eight and nine year periods;
- increasing the ability to use emission offsets, emission performance credits and sequestration credits to meet TIER-regulated compliance obligations from 60% of a facility’s compliance obligations in 2023 to 90% of a facilities compliance obligations by 2026; and
- a 2% annual tightening rate for facility-specific benchmarks and high-performance benchmarks.

Alberta has also adopted, among other environmental legislation, the *Methane Emission Reduction Regulation* under the *Environmental Enhancement and Protection and Enhancement Act*. The regulations came into force on January 1, 2020 and include requirements to address the primary sources of methane emissions from Alberta’s upstream oil and gas industry, in particular fugitive emissions and venting.

In British Columbia, the *Carbon Tax Act* (the “CTA”) has been in force since 2008. The CTA established an economy-wide carbon tax and established a price on GHGs beginning at \$10 per tonne in 2008, with increases to \$65 per tonne by 2023, which will continue to escalate in lockstep with the GGPPA backstop (i.e., until the price reaches \$170 per tonne by 2030). The Government of British Columbia’s carbon tax was deemed by the federal government to be equivalent to both Part 1 and Part 2 of the GGPPA and therefore, the GGPPA does not apply to British Columbia.

Effective April 1, 2024, the Government of British Columbia will implement a newly designed output-based pricing system (the “**B.C. OBPS**”) for large industrial emitters, which prices emissions that exceed specific limits. The B.C. OBPS will ensure emissions reductions for industry continue, while providing flexible options, such as earned units and carbon offsets, to meet compliance obligations. Throughout 2023, the CleanBC Program for Industry, the province’s existing industrial carbon pricing system, will be in place while the province transitions to the B.C. OBPS in 2024.

In British Columbia, the *Low Carbon Fuels Act* (the “**LCF Act**”) came into effect January 1, 2024, replacing the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act*. Under the LCF Act the *Low Carbon Fuels (General) Regulation* mandates the reduction of carbon intensity of transportation fuel supplied in the Province of British Columbia. These regulations have been in place in British Columbia since 2010 and require an annual reduction in transportation fuel carbon intensity. The current regulations will reduce the carbon intensity of fuels by 30% in 2030 from the 2010 baseline. All transportation fuel supplied in the Province of British Columbia must be compliant with these regulations.

Tidewater closely monitors and manages its obligations under federal, provincial and municipal health, safety and environmental legislation and associated regulations, in line with its commitment to conduct its operations in a manner that protects the health and safety of the public, its workforce and the environment (See “*Risk Factors – Operational Risks – Climate Change Regulation and Environmental and Public Safety Considerations*”). The Corporation has a highly skilled workforce and provides ongoing training to maintain the skills and understanding necessary for a safe and healthy work environment. Tidewater’s health, safety and environmental policies set an expectation that everyone must share in the responsibility to work safely and responsibly, while meeting or exceeding all applicable laws and regulations.

Tidewater conducts annual emergency response training exercises to practice and determine the effectiveness of its emergency response plans. Tidewater conducts these training exercises in accordance with applicable regulations and administers them with local emergency responders, regulatory agencies, Tidewater employees and key contractors. Tidewater uses the Incident Command System (ICS) which supports a unified approach to emergency response and is a system widely used by emergency response support agencies.

Tidewater regularly reviews its safety performance, conducts safety audits and shares experiences and best practices within the organization and, at times, with others in industry. Tidewater has adopted a suite of policies, procedures and safe operating practices, which are reviewed, evaluated and updated based on changes to laws and regulations, technology developments, industry standards and the operational needs of its facilities. Tidewater also has formal incident reporting processes, which allow it to, among other things, identify and track incidents and near misses; identify, implement and follow up on appropriate corrective actions; and share learnings. Tidewater also carries out investigations to understand factors that might cause or contribute to incidents. The Corporation also seeks to learn from its experiences, as well as from other industry learnings, in order to prevent the occurrence or recurrence of an incident. Reports of activities and performance under Tidewater’s health, safety and environmental management system are also provided regularly to each of the Governance, Compensation, Safety and Sustainability Committee and the Board.

Environmental Liability Reduction – Decommissioning, Abandonment, Remediation and Reclamation Costs

Tidewater incurs annual decommissioning, abandonment, remediation, and reclamation costs as part of its liability management program with active and inactive assets. These costs can include items such as facility decommissioning, well abandonments, groundwater remediation and monitoring programs, soil remediation and surface reclamation projects, all of which help Tidewater assess and proactively manage its environmental liability (See “*Risk Factors – Operational Risks – Environmental and Public Safety Considerations*”).

End-of-life costs or asset retirement obligations are accounted for through Tidewater’s financial obligations and are reflected in its financial statements. Tidewater makes full provision for the future cost of its asset retirement obligations measured at the present value of Tidewater’s best estimate of the cost to settle such obligations, using a risk-free rate as prescribed by Canadian accounting standards. For further information, refer to Tidewater’s most recent Annual Financial Statements which are available on SEDAR+ at www.sedarplus.com.

Long term asset retirement obligation costs are variable, as they are a function of regulatory requirements and other factors in force and effect at the time of decommissioning, abandonment, remediation and/or reclamation. In determining its asset retirement obligation cost estimates, Tidewater considers: (i) the cost of facility abandonment, including suspension and demolition costs, and (ii) environmental restoration, remediation, and reclamation costs, in order to meet applicable reclamation certificate criteria. Tidewater engages reputable third-party environmental consultants and experienced employees to collect, review and assess the relevant data in preparation of the estimates. To support its liability estimates, Tidewater has performed end-of-life reviews for its large facility assets utilizing Tidewater's historical expenditures for liability reduction services and industry costs for similar projects.

Since 2018, Tidewater has participated in the Area Based Closure program, an Alberta Energy Regulator ("AER") voluntary program designed to encourage oil and gas licensees to work together with the AER or other licensees to decommission, remediate, and reclaim energy and infrastructure sites. Each year the AER sets a mandatory spend target for participants which is based upon a percentage of licensees deemed inactive liability. Tidewater has met or exceeded this spend target during each year of its involvement in this program.

Environmental, Social and Governance

Tidewater is committed to conducting its business in a way that respects the environment, enhances the health and safety of its employees and communities, and meets stakeholder expectations. As part of its commitment to enhancing transparency, Tidewater proudly published its inaugural ESG Report in the first quarter of 2022. This report details Tidewater's ESG journey, performance highlights, approach to sustainability, recent accomplishments, and other material items which will drive the success of Tidewater's long term ESG goals. Building upon this report, ESG metrics were updated with 2021 data at the end of 2022. The full report can be found on the Corporation's website at www.tidewatermidstream.com.

Environmental Stewardship

Tidewater recognizes and values the importance of responsible environmental stewardship and has made significant investments in infrastructure to improve efficiencies and enhance environmental performance. The impact to the environment is a key consideration in how Tidewater designs, constructs and implements its projects. Tidewater's environmental programs focus on preventing environmental impacts and adopting appropriate remediation strategies when required. As part of this commitment, Tidewater strives to conduct its operations in accordance with internally developed environmental operating guidelines and provides its employees with training that includes health, safety, and environmental matters. Tidewater also has systems in place for reporting, tracking, and monitoring its environmental and regulatory key performance indicators. Results are regularly reviewed to evaluate performance, share information with internal groups and identify areas for improvement.

In 2020, Tidewater became the first official partner and founding member of Project Forest, a non-profit organization committed to rewilding Alberta's local landscape by planting trees to sequester carbon. Tidewater has committed to a 5-year partnership with Project Forest that will include planting 20,000 trees as part the program. In the first four years of our commitment, we planted over 7,400 trees at various Project Forest locations and additionally have made a \$10,000 commitment to the Wihnemne School Forest.

In 2021, Tidewater became a partner in NGIF Cleantech Ventures, a \$50 million industry-led venture capital fund (the "Fund") that makes equity investments in early-stage start-ups. The Fund's investments include solutions that lead to emissions reductions and other environmental benefits in existing natural gas production, transmission, distribution, storage, and end-use applications, as well as leading to the expanded production of renewable natural gas and hydrogen.

As part of Tidewater's environmental and biodiversity initiatives, the Corporation is a member of the Foothills Stream Crossing Partnership ("FSCP"). The FSCP is a multi-industry partnership, focused on ensuring fish passage is not obstructed by road networks. Within its Alberta operations, Tidewater maintains an extensive road network and has committed to working with forestry companies, other energy operators, municipalities, and the provincial government to ensure potential aquatic habitat fragmentation is minimized and stream connectivity is restored. In collaboration with the FSCP, Tidewater maintains an inventory of annual inspection locations where its roads intersect fish-bearing waterbodies and has completed mitigation programs to remove barriers to fish passage.

Health and Safety

Tidewater adopts various proactive, preventative measures in its operations to minimize the likelihood of incidents and operational downtime while safeguarding employees, the environment, and the communities in which it operates. Certain highlights include:

- A health, safety and environment committee (HS&E) is in place to oversee the execution of Tidewater's HS&E program;
- Conducting regular reviews of Tidewater's Health, Safety, Environment and Regulatory (HSE&R) Management System and updating as necessary based on corporate trends and/or governing occupational health and safety legislation;
- Implementing Life Saving Rules in an effort to reduce or eliminate the number of high-risk events from taking place;
- Mandating safety training that includes emergency response for all operations-related employees;
- In 2023, Tidewater completed 13 Operational Emergency Response Plan (ERP) training exercises corporately in addition to regular project level muster and ERP exercises; and
- Tidewater's Total Recordable Injury Frequency (TRIF) rate has improved from 0.97 (in 2022) to 0.36 (in 2023) recordable injuries per 200,000 hours.

Community Engagement

Tidewater is committed to developing and maintaining meaningful, long-term relationships with the communities in which it operates and any other stakeholders that may be affected by its operations. Tidewater's community programs include community engagement, investment and sponsorship, use of local service providers, educational and workplace scholarship programs and open house community consultation programs. These programs are intended to keep Tidewater's neighbours informed about its operations, foster open communication, build relationships and to proactively identify and address community concerns.

In 2023, Tidewater invested approximately \$121,000 toward local community initiatives across Alberta and British Columbia. The Corporation continued to focus on enriching communities through physical and educational programs for children, providing scholarships for higher education, and strengthening existing partnerships.

Indigenous Relations

Tidewater recognizes that it constructs and operates facilities in Indigenous communities. Tidewater's approach towards stakeholder engagement is to work together with Indigenous communities to proactively identify any potential impacts of its activities on the community to develop mutually acceptable solutions and benefits. Tidewater is guided by the following principles in its relationships with Indigenous peoples: respecting the diversity of Indigenous cultures and seeking to understand the customs, values and traditions of Indigenous peoples; being committed to honest, open, ongoing communication with Indigenous communities affected by its operations and engaging in timely and meaningful consultation with these communities; and offering support for strategies intended to encourage development within Indigenous communities, including training, employment, business development and community opportunities related to Tidewater's operational activities.

As part of the federal government's Site Rehabilitation Program ("SRP"), Tidewater has engaged with several Indigenous-led companies in both Alberta and British Columbia to acquire SRP funding for abandonment, decommissioning, remediation and reclamation of facilities and well sites. 100% of funding acquired through this program is directly awarded to Indigenous companies for completion of SRP projects.

Governance

Tidewater's management team and Board are committed to the highest ethical standards and governance processes. Tidewater strives for continuous improvement in this area. Tidewater's executive compensation plan is based on a lower salary component relative to its peers whereby the executive leadership team is heavily incentivized by financial performance and shareholder returns. The Board is comprised of 88% independent directors including two female directors representing 25% of the Board.

Since being established in 2020, Tidewater's ESG Committee comprised of Tidewater's Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, and Vice President of People Services, among other Tidewater personnel, meets bi-weekly to guide Tidewater's efforts in measuring and reporting on the Corporation's ESG metrics.

CODE OF BUSINESS CONDUCT

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") which applies to all directors, officers, employees and certain contractors of Tidewater. The Code is available free of charge from Tidewater's office located at Suite 900, 222 – 3rd Avenue S.W., Calgary, Alberta, T2P 0B4.

In support of the Code, Tidewater has adopted business conduct policies covering various matters, including but not limited to ethics, disclosure, insider trading and conflicts of interest, and has adopted a number of specific procedures and guidelines to facilitate compliance with the Code and the various policies (collectively the "**Conduct Policies**"). Tidewater's Insider Trading and Reporting Policy is an example of such a policy. This policy prescribes blackout periods and outlines the circumstances in which Tidewater's directors, officers, employees and consultants will be restricted or prohibited from trading in securities of Tidewater. Another example is Tidewater's Disclosure and Confidentiality Policy, which is designed to facilitate broad, timely and informative dissemination of material information and to prevent selective disclosure, all in accordance with applicable securities rules and regulations. The Conduct Policies are periodically reviewed and updated as necessary.

New directors, officers, employees and certain contractors are required to receive an orientation regarding the Conduct Policies when they commence their engagement with Tidewater.

CAPITAL STRUCTURE OF TIDEWATER

The rights, privileges and restrictions on the Common Shares and the preferred shares in the capital of the Corporation ("**Preferred Shares**") are contained in the articles of Tidewater, which are available on SEDAR+ at www.sedarplus.com and on the Corporation's website at www.tidewatermidstream.com.

Authorized Shares

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series, without nominal or par value, of which, as at the date hereof, 428,232,517 Common Shares are issued and outstanding as fully paid and non-assessable (427,787,942 Common Shares as at December 31, 2023). As of the date hereof, there are no outstanding Preferred Shares.

Common Shares

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, to dividends if, as and when declared by the Board, to one vote per share at meetings of the holders of Common Shares and, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. In addition, the Debentures are convertible into Common Shares at any time prior to the earlier of September 30, 2024, and the business day immediately preceding the date fixed for redemption by the Corporation, at a conversion price of \$1.86 per Common Share, subject to adjustments in certain events.

Preferred Shares

The Preferred Shares may be issued in one or more series, and the Board is authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.

DIVIDENDS

Tidewater's historical practice has been to pay quarterly cash dividends on the Common Shares from its distributable cash flow to Shareholders of record as of the dividend record date, which is generally 30 days prior to the dividend payment date. The amount of dividends to be paid on the Common Shares, if any, is subject to the discretion of the

Board and may vary depending on a variety of factors. In addition to the standard legislated solvency and liquidity tests that must be met, Tidewater’s ability to declare and pay dividends is also dependent on its compliance with the covenants under the Senior Credit Facility (See “*Other Information Relating to Tidewater’s Business – Borrowing*”).

In determining the level of dividends to be declared, the Board takes into consideration such factors as current and expected future levels of distributable cash flow (including income tax), capital expenditures, borrowings and debt repayments, changes in working capital requirements and other factors (see “*Risk Factors – Financial Risks – Dividend Risk*”).

On December 22, 2023, the Corporation announced its decision to suspend its quarterly dividend of \$0.01 per Common Share. Concurrently with the announcement of the suspension of its dividend, the Corporation announced that the Board had authorized an application to the TSX to institute a normal course issuer bid (the “**NCIB**”) to establish the ability to repurchase, for cancellation, up to 10% of the public float of the Common Shares. The NCIB was approved by the TSX and will commence on March 11, 2024 and end on March 10, 2025, or such earlier date as the Corporation may determine or as the Corporation may complete purchases pursuant to the NCIB. The Corporation is pursuing a NCIB as it believes that following the closing of the Pipestone Transaction the market price of the Common Shares may not reflect the Corporation’s intrinsic value and future prospects, and that the purchase of Common Shares may represent an appropriate use of the Corporation’s financial resources to enhance Shareholder value. The dividend was suspended to help fund the NCIB while enhancing the Corporation’s financial flexibility. Shareholders may obtain a copy of the notice of intention to make a normal course issuer bid, free of charge, by contacting the Corporation (See “*Risk Factors – Financial Risks – Cash Dividends Are Not Guaranteed*”).

Dividend History

The table below provides information on dividends declared per Common Share for each of the three most recently completed financial years.

Dividend Record Date	Amount (\$)
September 30, 2023	0.01
June 30, 2023	0.01
March 31, 2023	0.01
December 30, 2022	0.01
September 30, 2022	0.01
June 30, 2022	0.01
March 31, 2022	0.01
December 31, 2021	0.01
September 29, 2021	0.01
June 30, 2021	0.01
March 31, 2021	0.01

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol “TWM”. The following table sets out the price range (monthly high and low sales prices) of the Common Shares and volumes traded for the periods indicated (as reported by the TSX).

Period	High (\$)	Low (\$)	Volume
2023			
January	1.09	0.99	10,629,097
February	1.13	1.04	4,994,928

Period	High (\$)	Low (\$)	Volume
March	1.12	0.85	11,567,102
April	0.94	0.84	7,291,144
May	0.94	0.84	3,989,960
June	0.95	0.86	2,872,566
July	1.08	0.90	4,126,937
August	1.10	0.92	9,655,514
September	1.10	0.96	11,456,253
October	1.06	0.99	9,786,995
November	1.04	0.92	9,249,216
December	1.07	0.94	4,934,011

The 2022 Offering Warrants are listed and posted for trading on the TSX under the symbol “TWM.WT”. The following table sets out the price range (monthly high and low sales prices) of the 2022 Offering Warrants and volumes traded for the periods indicated (as reported by the TSX).

Period	High (\$)	Low (\$)	Volume
2023			
January	0.13	0.09	205,500
February	0.12	0.105	121,500
March	0.12	0.055	80,500
April	0.075	0.05	41,101
May	0.12	0.065	165,600
June	0.06	0.025	178,000
July	0.07	0.03	59,300
August	0.075	0.03	236,855
September	0.07	0.03	112,500
October	0.07	0.04	20,500
November	0.06	0.01	363,000
December	0.03	0.01	556,500

The Debentures are listed and posted for trading on the TSX under the symbol “TWM.DB”. The following table sets out the price range (monthly high and low sales prices) of the Debentures and volumes traded for the periods indicated (as reported by the TSX).

Period	High (\$)	Low (\$)	Volume
2023			
January	98.99	94.75	5,020
February	98.00	96.00	11,820
March	98.75	95.00	8,830
April	98.00	92.00	5,420
May	98.10	96.10	3,140
June	97.39	96.12	3,020
July	98.00	96.12	3,850

Period	High (\$)	Low (\$)	Volume
August	98.60	96.30	2,180
September	98.00	96.12	4,010
October	98.90	96.02	2,600
November	98.01	96.76	2,830
December	98.75	96.75	3,000

Prior Sales

The following table summarizes the issuances of unlisted securities for the year ended December 31, 2023:

Description of Security	Date Issued	Number of Securities Issued	Issuance/Exercise Price Per Security (\$)
Restricted Share Units	January 31, 2023	109,680 ⁽¹⁾	N/A
Performance Share Units	January 31, 2023	\$35,071 ⁽³⁾	N/A
Deferred Share Units	January 31, 2023	7,312 ⁽⁴⁾	N/A
Restricted Share Units	April 28, 2023	110,223 ⁽¹⁾	N/A
Performance Share Units	April 28, 2023	\$35,073 ⁽³⁾	N/A
Deferred Share Units	April 28, 2023	8,091 ⁽⁴⁾	N/A
Restricted Share Units	July 31, 2023	98,984 ⁽¹⁾	N/A
Performance Share Units	July 31, 2023	\$31,495 ⁽³⁾	N/A
Deferred Share Units	July 31, 2023	7,461 ⁽⁴⁾	N/A
Restricted Share Units	September 5, 2023	1,790,738 ⁽¹⁾	N/A
Options	September 5, 2023	1,284,525 ⁽²⁾	\$1.09
Performance Share Units	September 5, 2023	\$1,387,730 ⁽³⁾	N/A
Deferred Share Units	September 5, 2023	78,750 ⁽⁴⁾	N/A
Restricted Share Units	October 18, 2023	2,431,791 ⁽¹⁾	N/A
Options	October 18, 2023	1,328,360 ⁽²⁾	\$1.04
Performance Share Units	October 18, 2023	\$560,359 ⁽³⁾	N/A
Deferred Share Units	October 18, 2023	78,750 ⁽⁴⁾	N/A
Restricted Share Units	October 31, 2023	87,050 ⁽¹⁾	N/A
Performance Share Units	October 31, 2023	\$28,200 ⁽³⁾	N/A
Deferred Share Units	October 31, 2023	8,299 ⁽⁴⁾	N/A
Restricted Share Units	November 10, 2023	158,155 ⁽¹⁾	N/A
Options	November 10, 2023	108,756 ⁽²⁾	\$0.94
Performance Share Units	November 10, 2023	\$77,143 ⁽³⁾	N/A

Notes:

- (1) Refers to a restricted share unit of the Corporation granted pursuant to the restricted share unit plan of the Corporation.
- (2) Refers to a stock option granted pursuant to the stock option plan of the Corporation.
- (3) Refers to a performance share unit (“PSU”) of the Corporation granted pursuant to the performance share unit plan of the Corporation. The PSUs are a cash value equivalent which are used to purchase Common Shares in the open market.
- (4) Refers to a deferred share unit of the Corporation granted pursuant to the deferred share unit plan of the Corporation.

DIRECTORS AND EXECUTIVE OFFICERS

Directors of Tidewater

The name, municipality of residence, principal occupation during the five preceding years, period of service as a director and committee membership for each of the directors of Tidewater are set out below.

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
<p>Thomas Dea Toronto, Ontario, Canada</p> <p>Mr. Dea has been a director of the Corporation since August 2022. Mr. Dea is the President and CEO of Kicking Horse Capital Inc. (“Kicking Horse”), an alternative asset manager, which he founded in 2020. Prior to Kicking Horse, Mr. Dea was a Partner at West Face Capital Inc. (“WFC”), an alternative asset manager, and Co-Head of the West Face Alternative Credit Fund. Prior to WFC he was Managing Director of Onex Corporation, a private equity firm. He has served as director of a number of public and private companies. Mr. Dea holds a M.B.A. from Harvard Business School and a B.A. from Yale College.</p>	<ul style="list-style-type: none"> • Chairman • Member of the Independence Committee⁽¹⁾
<p>Doug Fraser Calgary, Alberta, Canada</p> <p>Mr. Fraser has been a director of the Corporation since April 20, 2015. Mr. Fraser was formerly the Chief Financial Officer at TAQA, PrimeWest Energy Trust and Husky Energy and held senior finance roles at Petro-Canada and Imperial Oil. Mr. Fraser received a BComm from Mount Allison University and is a CPA.</p>	<ul style="list-style-type: none"> • Member of the Audit Committee (Chair) • Member of the Governance, Compensation, Safety and Sustainability Committee • Member of the Independence Committee⁽¹⁾
<p>Margaret Raymond Calgary, Alberta, Canada</p> <p>Ms. Raymond has been a director of the Corporation since May 25, 2017. Ms. Raymond has been a director of Tidewater Renewables since July 12, 2021. Ms. Raymond is an experienced environment, health and safety and human resources professional with many years in the oil and gas industry. Between 2009 and 2020, Ms. Raymond was the President of her own consulting firm where she acted as a consultant and advised corporate boards of directors and executives on operational and environment, health and safety risk management and governance. Ms. Raymond was formerly Vice President Environment, Safety and Social Responsibility with Petro-Canada from 2006 to 2009. She was responsible globally at Petro-Canada for environment, health, employee assistance programs, safety, aboriginal affairs, security, stakeholder relations, emergency response and crisis management as well as corporate responsibility.</p> <p>Ms. Raymond holds her B.A. in Human Biology from Stanford University, (Palo Alto, CA) and her Master of Public Health, Environmental Health, from the University of California (Berkeley, CA). She also holds her ICD.D designation from the Institute of Corporate Directors, Directors Education Program, University Calgary, Haskayne School of Business (2007).</p>	<ul style="list-style-type: none"> • Member of the Governance, Compensation, Safety and Sustainability Committee (Chair)

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
<p>Michael J. Salamon Toronto, Ontario, Canada</p> <p>Mr. Salamon has been a director of Tidewater since May 26, 2020. Mr. Salamon is a Partner at Birch Hill, which he joined in 2000 when the group was still part of TD Capital. Prior to Birch Hill, Mr. Salamon was Vice President at Harrowston Inc., a Toronto-based, publicly traded investment firm. Mr. Salamon is Chair of the board of directors of Terrapure BR LP (waste management solutions) and is a director of Campus Energy Partners (midstream infrastructure and supply), FlexNetworks (fibre-optics networks) and Iogen Corporation. He has served as a director of several public and private companies, including Anchor Lamina (former chair), Atria Networks (former chair), Avotus Corp., BIOX Corporation, DHX Media Ltd. (dba WildBrain), Marsulex Inc., Medwell Capital Corporation and Groupe Maskatel. Mr. Salamon holds an MBA from the University of Chicago Booth School of Business, where he received the Center for Research in Security Prices Award for Finance, and a B.A.Sc. (Honours) in Electrical Engineering from the University of Toronto. Mr. Salamon is a P.Eng, a CFA and holds the ICD.D designation.</p>	<ul style="list-style-type: none"> • Member of the Governance, Compensation, Safety and Sustainability Committee • Member of the Independence Committee⁽¹⁾
<p>Neil McCarron Toronto, Ontario, Canada</p> <p>Mr. McCarron has been a director of Tidewater since May 26, 2020. Mr. McCarron is a Partner at Birch Hill (private equity firm), which he joined in 2011, has experience working with several public and private companies. He has played key roles in Birch Hill's investments in Sleep Country Canada, Terrapure Environmental (waste management solutions), Campus Energy Partners (midstream infrastructure and supply), Cozzini Bros. (business services), Hi-Pro Feeds (animal nutrition) and ERCO Worldwide (industrial chemicals). Mr. McCarron is currently on the board of directors of Terrapure, Campus Energy Partners and ERCO Worldwide. Prior to Birch Hill, he was a Senior Consultant with Oliver Wyman in New York, working principally in M&A advisory and operations improvement for the financial services sector. Mr. McCarron holds an HBA (with distinction) from the Richard Ivey School of Business at Western University.</p>	<ul style="list-style-type: none"> • Member of the Audit Committee • Member of the Independence Committee⁽¹⁾
<p>Gail Yester Calgary, Alberta, Canada</p> <p>Ms. Yester joined the Board of the Corporation in July 2020. She is a lawyer and land professional with more than 35 years experience in various in-house, private practice and consulting roles in the energy industry. Until May 2018, Ms. Yester was Vice-President, Land at Paramount Resources Ltd., the successor to Trilog Energy Corp., where she was General Counsel and Corporate Secretary to the Board of Directors and led the Land Department from 2005 to 2017. From 1995 to 2005, Ms. Yester provided services to various oil and gas producers, including Paramount Resources Ltd., and Chevron Canada Resources, mainly in the area of asset acquisitions and dispositions and mineral land-related matters. She was a partner in the law firm Ebbert Yester from 1992 to 1995 and an associate lawyer in the firm prior to that. She is a member of the Law Society of Alberta and the Canadian Association of Land and Energy Professionals. Ms. Yester obtained her B.A. in 1981 and her LL.B. in 1984, both from the University of Calgary and holds the ICD.D designation.</p>	<p>Ms. Yester is:</p> <ul style="list-style-type: none"> • Member of the Audit Committee⁽³⁾ • Member of the Governance, Compensation, Safety and Sustainability Committee • Member of the Independence Committee⁽¹⁾
<p>Jeremy Baines Calgary, Alberta, Canada</p> <p>Mr. Baines joined the Board of the Corporation on January 22, 2024 and also was appointed as Chief Executive Officer at that time. Prior to joining Tidewater, Mr. Baines was President and Chief Executive Officer of Campus Energy Partners since 2019. Mr. Baines has also held several senior positions at AltaGas, including Senior Vice President, Strategic Projects, Vice President of Field Gathering and Processing, Vice President of Business Development and Vice President of Finance, as well as serving as Chief Financial Officer at Torq Energy Logistics. Mr. Baines holds an MBA from the University of Alberta.</p>	<ul style="list-style-type: none"> • Not a member of any committee of the Board

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
<p>David Smith Parry Sound, Ontario, Canada</p> <p>Mr. Smith joined the Board of the Corporation on March 5, 2024. Mr. Smith currently also serves as the chairman of the board of directors of Superior Plus Corp., a role he has held since August 2014, and has been a director of Gran Tierra Energy Inc. since 2015. Mr. Smith was previously the managing partner of Enterprise Capital Management Inc., an investment management firm which managed funds for institutional and high net worth investors. He is a CFA and holds a HBA from the University of Western Ontario.</p>	<ul style="list-style-type: none"> • Not a member of any committee of the Board

Notes:

- (1) The Independence Committee is comprised of the directors of the Corporation that do not hold director or officer positions with Tidewater Renewables. The Independence Committee is required pursuant to the Governance Agreement dated August 18, 2021 between Tidewater Renewables and the Corporation and meets to determine material matters related to Tidewater Renewables.
- (2) Ms. Yester joined the Audit Committee on March 6, 2023.

In accordance with the articles of Tidewater, directors are to be elected annually by the Shareholders. Between annual meetings, the Board has the authority to appoint one or more additional directors to serve until the next annual meeting provided that the number of directors so appointed does not exceed 1/3 of the number of directors holding office at the expiration of the last annual meeting. Robert Colcleugh served as a director of the board from May 25, 2017 until his resignation on February 21, 2024. He also served as Chief Executive Officer of the Corporation from his appointment as interim Chief Executive Officer on November 28, 2022 until his departure on January 21, 2024.

Officers of Tidewater

The name, municipality of residence, position held and principal occupations during the five preceding years for each of the officers of Tidewater are set out below:

Name and Municipality of Residence	Position with Tidewater	Principal Occupation
<p>Jeremy Baines Calgary, Alberta, Canada</p>	<p>Chief Executive Officer and Director</p>	<p>Mr. Baines is the Chief Executive Officer and a Director of Tidewater, roles he assumed on January 22, 2024. Mr. Baines was also appointed as a director of Tidewater Renewables on January 22, 2024. Mr. Baines joined the Board of the Corporation on January 22, 2024 and also was appointed as Chief Executive Officer at that time. Prior to joining Tidewater, Mr. Baines was President and Chief Executive Officer of Campus Energy Partners since 2019. Mr. Baines has also held several senior positions at AltaGas, including Senior Vice President, Strategic Projects, Vice President of Field Gathering and Processing, Vice President of Business Development and Vice President of Finance, as well as serving as Chief Financial Officer at Torq Energy Logistics. Mr. Baines holds an MBA from the University of Alberta.</p>

Name and Municipality of Residence	Position with Tidewater	Principal Occupation
<p>Aaron Ames Toronto, Ontario, Canada</p>	<p>Interim Chief Financial Officer</p>	<p>Mr. Ames assumed the role of interim Chief Financial Officer of Tidewater in January 2024, bringing over two decades of experience as a senior financial executive. Prior to his tenure at Tidewater, Mr. Ames served as CFO at DHX Media Ltd. (predecessor to WildBrain Entertainment, Inc.) prior to which he was the COO. His career is highlighted by a consistent track record of optimizing profitability as CFO, along with a wealth of experience in effectively managing substantial financial portfolios. Mr. Ames holds a Master of Finance and Accounting from Case Western Reserve University, is a Chartered Professional Accountant, and a Certified Public Accountant.</p>
<p>Kent Chicilo Calgary, Alberta, Canada</p>	<p>Executive Vice President, Shared Services, Chief Legal Officer and Corporate Secretary</p>	<p>Mr. Chicilo is the Executive Vice President, Shared Services, Chief Legal Officer and Corporate Secretary at Tidewater. He is responsible for the Legal, Land, Sustainability, People Services and Information Technology groups at Tidewater. Prior to joining the Tidewater team in May 2022, Mr. Chicilo was an Associate General Counsel at Inter Pipeline Ltd. where he worked since 2012 in roles with progressively increasing responsibility. Mr. Chicilo obtained both a JD (2000) and a BComm (1995) from the University of Saskatchewan. He is a member of the Law Society of Alberta.</p>
<p>Jared Gurevitch Calgary, Alberta, Canada</p>	<p>Executive Vice President, Midstream Commercial</p>	<p>Mr. Gurevitch is the Executive Vice President, Midstream Commercial and has been with Tidewater since 2017. He is responsible for all Commercial and Marketing activity related to Tidewater's Gas Processing, Gas Storage and NGL Fractionation businesses. Mr. Gurevitch brings over 10 years of Midstream and commodity marketing experience specifically in Natural Gas, NGL and Sulphur. Prior to joining Tidewater, Mr. Gurevitch was part of the Ethane and Natural Gas team at Plains Midstream Canada where he focused on Gas Supply and Commercial activity related to their Straddle Plant business. Mr. Gurevitch holds a Bachelor of Commerce degree and graduated from the University of Calgary in 2011.</p>
<p>Shawn Heaney Calgary, Alberta, Canada</p>	<p>Executive Vice President, Planning and Strategy</p>	<p>Mr. Heaney has been with Tidewater and its affiliates since September 2021, bringing over 10 years of capital markets and energy industry experience. Previously, he was a member of the Energy & Power investment banking team at BofA Securities from 2017 to 2021, where he assisted in the execution of various mergers and acquisitions, equity and debt financings. Prior to, Mr. Heaney was also part of the investment banking group of Macquarie Capital Markets Canada Ltd. Mr. Heaney holds a Bachelor of Commerce, with a concentration in finance and accounting, from the University of Alberta.</p>
<p>John McGougan Calgary, Alberta, Canada</p>	<p>Executive Vice President, Midstream Operations</p>	<p>Mr. McGougan is the Executive Vice President of Midstream Operations, responsible for all Tidewater Midstream assets within Alberta. Over the past 30 years, Mr. McGougan has been focused on safely operating and managing upstream and midstream operations across North America. He is highly experienced in all aspects of processing and gathering, operations and maintenance, facilities construction, personal safety and asset integrity. Prior to joining Tidewater in 2019, Mr. McGougan held various executive and field leadership roles at Talisman Energy, Repsol and Vesta Energy</p>

Name and Municipality of Residence	Position with Tidewater	Principal Occupation
Matt Millard Prince George, British Columbia, Canada	Executive Vice President, Downstream Operations	Mr. Millard is the Executive Vice President, Downstream Operations responsible for all downstream assets at Tidewater Midstream and Infrastructure. He has over 22 years of energy industry experience with the past 17 years in refining across process engineering, optimization and operations management roles. Mr. Millard holds a B.Sc. in Chemical Engineering from the University of Alberta and is a registered Professional Engineer. Prior to joining Tidewater through the 2019 acquisition of the Prince George Refinery, Mr. Millard held various roles across Western Canada with Husky Energy.
Jeff Scott Calgary, Alberta, Canada	Executive Vice President, Downstream Commercial	Mr. Scott is the Executive Vice President Commercial, Downstream responsible for all Commercial business across the Downstream assets at Tidewater Midstream and Infrastructure. He has over 24 years of experience in commercial and leadership roles in the Supply and Trading business across the crude, finished products and by-products businesses in North America. Mr. Scott holds a B.Sc. in Mechanical Engineering from the University of Alberta, an MBA from the Ivey Business School and is a CFA charter holder. Prior to joining Tidewater in 2023, he held various commercial leadership roles at Suncor Energy from 1999 to 2023.

Security Holding by Directors and Officers

As at the date hereof, the directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 114,722,234 Common Shares (including the Common Shares held by Birch Hill due to the BH Nominees), representing approximately 26.8% of the issued and outstanding Common Shares.

Cease Trade Orders

To the knowledge of management, no director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any corporation (including the Corporation), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means: (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

Other than as described below, to the knowledge of management, no director, executive officer of the Corporation or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Thomas Dea and David Smith were directors of CASA Energy Services Corp. (“CASA”), a private Calgary-based energy services firm. Mr. Dea was elected to CASA’s board in 2012 to represent the interests of West Face Capital Inc., which was a secured creditor of CASA. Separately, Mr. Smith was elected as a director and chairman of the board of CASA in January, 2015, and his role was to help stabilize the business and achieve the best results for its stakeholders. On May 21, 2015, a proposal was filed with the Office of the Superintendent of Bankruptcy Canada to reorganize CASA, which the Alberta Court of Queen’s Bench approved in June, 2015.

Penalties or Sanctions

To the knowledge of management, no director, executive officer or Shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) has incurred any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject to in connection with the operations of the Corporation. In particular, certain directors and officers of the Corporation and its subsidiaries are associated with other reporting issuers or other corporations, including Tidewater Renewables, which may give rise to conflicts of interest with the Corporation.

In accordance with the applicable corporate and securities legislation, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, all directors are required to act honestly and in good faith with a view to the best interests of the Corporation. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable corporate and securities legislation.

Insurance Coverage and Indemnification

The Corporation maintains liability insurance for its directors and officers with coverage and terms that are customary for a corporation of its size and industry. In addition, the Corporation has entered into indemnification agreements with its directors and officers. The indemnification agreements generally require that the Corporation indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees’ service to the Corporation as directors and officers, so long as the indemnitees acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to criminal or administrative actions or proceedings that are enforced by monetary penalty, if the indemnitee had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Corporation.

AUDIT COMMITTEE INFORMATION

Audit Committee Members and Audit Committee Charter

The Audit Committee is appointed annually by the Board. The responsibilities and duties of the Audit Committee are set forth in the Audit Committee Charter, a copy of which is attached hereto as Schedule A. The Audit Committee consists of three members, each of whom is independent and financially literate as defined by National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”).

The following table sets out the relevant education and experience of the members of the Audit Committee:

Name	Relevant Education and Experience
<p>Doug Fraser (Chair)</p> <ul style="list-style-type: none"> • Independent • Financially Literate 	<p>Mr. Fraser has been a director of the Corporation since April 20, 2015. Mr. Fraser was formerly the Chief Financial Officer at TAQA, PrimeWest Energy Trust and Husky Energy and held senior finance roles at Petro-Canada and Imperial Oil. Mr. Fraser received a BComm from Mount Allison University and is a CPA.</p> <p>Mr. Fraser obtained his Chartered Accountant designation in 1983 and is a Chartered Professional Accountant.</p> <p>Mr. Fraser’s executive level experience, designation as a Chartered Professional Accountant received in 1983 and over 33 years of experience in accounting and finance roles provide him with the skill set and financial literacy required to carry out his duties as a member of the Audit Committee.</p>
<p>Gail Yester</p> <ul style="list-style-type: none"> • Independent • Financially Literate 	<p>Ms. Yester joined the Board of the Corporation in July 2020. She is a lawyer and land professional with more than 35 years experience in various in-house, private practice and consulting roles in the energy industry. She obtained her B.A. in 1981 and her LL.B. in 1984, both from the University of Calgary and holds the ICD.D designation.</p> <p>From 2005 to 2017, Ms. Yester was an executive officer of Trilogy Energy Corp. a TSX-listed company where, in her role as General Counsel and Corporate Secretary, she worked closely with the board of directors and its committees including the audit committee. In that capacity, she participated in the review of annual and interim financial reporting and disclosure documents, attended all audit committee meetings, including meetings with the auditors, and participated in the documentation of and compliance with the corporation’s internal controls. Ms. Yester has completed additional education in financial literacy for directors and officers (2005 and 2021) and financial management (2007) through the Institute of Corporate Directors.</p>
<p>Neil McCarron</p> <ul style="list-style-type: none"> • Independent • Financially Literate 	<p>Mr. McCarron has been a director of Tidewater since May 26, 2020. Mr. McCarron is a Partner at Birch Hill (private equity firm), which he joined in 2011, has experience working with several public and private companies. He has played key roles in Birch Hill’s investments in Sleep Country Canada, Terrapure Environmental (waste management solutions), Campus Energy Partners (midstream infrastructure and supply), Cozzini Bros. (business services), Hi-Pro Feeds (animal nutrition) and ERCO Worldwide (industrial chemicals). Mr. McCarron is currently on the board of directors of Terrapure, Campus Energy Partners and ERCO Worldwide. Prior to Birch Hill, he was a Senior Consultant with Oliver Wyman in New York, working principally in M&A advisory and operations improvement for the financial services sector. Mr. McCarron holds an HBA (with distinction) from the Richard Ivey School of Business at Western University.</p> <p>Mr. McCarron is currently a member of the audit committee of Campus Energy Partners and ERCO Ltd. In that capacity, he has direct experience overseeing the preparation of annual and interim financial statements, the nature and scope of annual audits, supervising the company’s auditors, overseeing management’s reporting on internal accounting standard, practices, controls and procedures, reviewing and evaluating financial information and accounting systems and procedures, financial reporting and statements and recommending, for board approval, the financial reports and other mandatory disclosure releases containing financial information.</p> <p>Mr. McCarron also has extensive M&A experience which has included conducting rigorous financial due diligence and overseeing the identification and establishment of new finance teams, internal financial controls and hiring of auditors.</p>

Mr. Colcleugh was a member of the Audit Committee during the year ended December 31, 2022 and ceased to be a member on March 6, 2023 in light of his appointment as interim Chief Executive Officer.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as described in the Audit Committee Charter.

External Auditor Service Fees

The aggregate fees billed to the Corporation and its subsidiaries by external auditors in each of the two fiscal years noted below for audit and other fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽¹⁾	Tax Fees ⁽¹⁾	All Other Fees ⁽¹⁾
2023	\$781,000	\$188,000	-	\$133,000
2022	\$938,000	\$181,000	-	\$180,000

Note:

- (1) “**Audit Fees**” are the aggregate fees necessary to perform the annual audit and quarterly reviews of the Corporation and its subsidiaries financial statements billed by the Corporation’s external auditor. “**Audit-Related Fees**” are the aggregate fees billed by the Corporation’s external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported as audit fees. During 2023, the nature of the services comprising such fees was the review of carve out financial statements. “**Tax Fees**” are the aggregate fees billed by the Corporation’s external auditor for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. “**All Other Fees**” are the aggregate fees billed by the Corporation’s external auditor for products and services other than those described as “Audit Fees”, “Audit Related Fees” and “Tax Fees”. During 2023, the nature of the services comprising such fees was translation services.

Fees billed to Tidewater Renewables

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽¹⁾	Tax Fees ⁽¹⁾	All Other Fees ⁽¹⁾
2023	\$267,000	-	-	\$33,000
2022	\$230,000	\$71,000	-	\$84,000

Note:

- (1) “**Audit Fees**” are the aggregate fees necessary to perform the annual audit and quarterly reviews of Tidewater Renewables’ financial statements billed by the Corporation’s external auditor. “**Audit-Related Fees**” are the aggregate fees billed by the Corporation’s external auditor for assurance and related services that are reasonably related to the performance of the audit or review of Tidewater Renewables financial statements and are not reported as audit fees. “**Tax Fees**” are the aggregate fees billed by the Corporation’s external auditor for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. “**All Other Fees**” are the aggregate fees billed by the Corporation’s external auditor for products and services other than those described as “Audit Fees”, “Audit Related Fees” and “Tax Fees”. During 2023, the nature of the services comprising such fees was translation services.

RISK FACTORS

Readers should carefully consider all of the information set out in this AIF before making an investment decision. Readers are cautioned that this summary of risks may not be exhaustive, as there may be risks that are unknown and other risks that may pose unexpected consequences. Further, many of the risks are beyond the Corporation’s control and, in spite of the Corporation’s active management of its risk exposure, there is no guarantee that these risk management activities will successfully mitigate such exposure.

An investment in the Common Shares is highly speculative due to the high risk nature and stage of development of the Corporation’s business.

In carrying out its business and operations, the Corporation deals with a number of risks. Generally, the Corporation’s risks fall into two principal categories: (i) operational risks, including legal, regulatory and strategic risks; and (ii) financial risks. These categories are outlined below along with summaries of specific risk factors within each general category. In some instances, risks may fall into both categories. In such cases the Corporation has classified risks based on the primary category in terms of how they affect it. The most significant risks in each category are listed first, based on the Corporation’s current assessment of each risk.

The Corporation continually works to identify and evaluate significant risks and to develop and maintain appropriate strategies to mitigate the impact of potential risks to its business. The Corporation’s approach to risk management is integrated into its overall approach to decision making (both formal and informal) and also includes formal risk reviews with respect to certain matters.

All statements regarding the Corporation's business should be viewed in light of these risk factors. Investors should consider carefully whether an investment in the Common Shares is suitable for them in light of the information in this AIF and their personal circumstances. If any of the identified risks were to materialize, the Corporation's business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems not to be material, may also have an adverse effect upon the Corporation and the Common Shares.

Operational Risks

Risk Relating to Refinery Operations

Tidewater owns and operates the PGR. There are risks inherent to the operations and activities of a refinery, including risks related to accidents, availability of crude oil and other feedstocks for use in the PGR, failure to adequately contract with third parties for offtake of products from the PGR or interruptions in offtake, labor and material shortages, direct and indirect risks related to legislative and regulatory requirements, including without limitation, the discharge and management of storm water and processed water, and risks related to local opposition. Tidewater does not have full control over the supply of power, natural gas, or water to the refinery and, as such, a key operational risk for the PGR is the availability of sufficient power, natural gas, and water supplies to support refinery operations. Large amounts of power, heat by way of natural gas, and large volumes of water are used in the refining of crude oil and even a temporary interruption of power or water could adversely affect operations.

Tidewater contracts with third parties for the supply of crude oil and other feedstocks to the PGR and for the offtake of refined products from the PGR. Adequate supply and offtake arrangements are a key operational risk for the PGR. An inability to conclude contracts for supply of crude oil or other feedstocks or for the offtake of any stream of refined products from the PGR, or any scheduled or unscheduled interruption in contracted supply or offtake, could have a material adverse effect on Tidewater's business, financial condition or results of operations.

Fuel Storage and Distribution

Operating fuel storage and distribution terminals and transporting fuel products involve inherent risks including:

- oil spills and other environmental incidents;
- fires, collisions and other catastrophic disasters;
- injuries and loss of life;
- severe damage to and destruction of property and equipment; and
- loss of product and business interruption.

Damage arising from such occurrences may result in fines and significant third party claims or liability under environmental laws and regulations. Tidewater generally maintains insurance to mitigate these types of costs, but there can be no assurance that its insurance would be sufficient to cover the liabilities it might suffer from the occurrence of one or more of the risks described above.

A significant environmental incident involving a release of crude oil, liquid petroleum products, chemicals or other hazardous substances into marine or other environments could result in losses in excess of the insurance coverage currently maintained by Tidewater and could have a material adverse impact on Tidewater's business, financial condition, reputation and results of operations.

Operating and Capital Costs

Operating and capital costs of Tidewater's Business may vary considerably from current and forecast values and rates and represent significant components of the cost of providing service. In general, as equipment ages, maintenance capital expenditures and maintenance expenses with respect to such equipment may increase over time.

Although operating costs are to be recaptured through the tariffs and fees charged on refined products, natural gas volumes processed and oil and NGLs transported, respectively, to the extent such charges escalate, producers may seek lower cost alternatives or stop production of their natural gas.

In order to produce NGL, the producing facility must purchase natural gas, referred to as shrinkage gas, to compensate the owner of the natural gas or offgas that is processed for the energy removed from the gas stream when NGL are removed through the extraction process. The cost of the shrinkage gas, which is the largest cost component in the production of NGL, is typically tied to a benchmark natural gas price based on a combination of daily spot prices and monthly index natural gas prices.

Force Majeure Events

The Corporation's operations, information systems and demand for its products and services may be vulnerable to substantial loss or damage as a result of certain disruptions and events, including national emergencies, acts of war, acts of terrorism, armed hostilities, terrorism, cyberattacks, diplomatic developments, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, pandemics and the outbreak of disease or similar events, any of which may have a material adverse effect on Tidewater's reputation, business, financial conditions or operating results.

Frac Spread and Commodity Prices

The light crude oil refining, natural gas, NGL and crude oil refined products midstream infrastructure business is exposed to possible price declines between the time Tidewater purchases NGL feedstock and sells NGL products, and to narrowing frac spreads. Frac spread is the difference between the selling prices for NGL products and the input cost of the natural gas required to produce the respective NGL products, generally expressed in US\$ per U.S. gallon. The frac spread can change significantly from period to period depending on the relationship between crude oil and natural gas prices (the "**frac spread ratio**"), absolute commodity prices, and changes in the Canadian to U.S. dollar foreign exchange rate. There is also a differential between NGL product prices and crude oil prices which can change prices received and margins realized for midstream products separate from frac spread ratio changes. The amount of profit or loss made on the extraction portion of the Business will generally increase or decrease with the frac spread. This exposure could result in material variability of cash flow generated by the Business, which could negatively affect Tidewater's Business.

Facilities Throughput and Utilization Rates

Some of the Corporation's facilities, including the PGR, may operate at lower throughputs compared to their respective licensed or operating capacities. This may be due to a multitude of factors, including: declines in production; decisions by producers to delay or shut in production; actual production delivered by customers to Tidewater facilities not aligning with production profiles; operational issues or constraints in certain functional units within the facilities; operating conditions; changes in gas or NGL composition; low commodity prices; infrastructure or service bottlenecks and logistical issues; inventory or market constraints for particular commodities; and other reasons. Several of Tidewater's facilities are in areas with declining producer activity. There may also be times when facilities experience capacity constraints due to increasing throughput. In certain circumstances, the increased throughput may contribute to operating conditions that are not in line with the operational design of the facility.

The Corporation cannot predict the impact of future economic conditions, fuel conservation measures, alternative fuel requirements, governmental regulation or technological advances in fuel economy and energy generation devices, all of which could reduce the demand for oil, refined products, natural gas and NGLs, thereby potentially reducing utilization rates at the Corporation's facilities.

The Corporation tries to mitigate these risks through a number of strategies, including: maintaining formal inspection, monitoring and maintenance programs for its equipment and pipelines to assist in maximizing facility availability and operational efficiency; working cooperatively with customers to provide them with comprehensive and competitive service options; pursuing business development initiatives to attract additional volumes; expanding or modifying functional units at certain plants if conditions warrant and/or there is sufficient demand; working with customers to manage inlet volumes; and pursuing projects to improve efficiencies and remove bottlenecks. There is no guarantee any of these strategies will be effective.

Use of utilization rates to estimate available raw gas processing capacity may be misleading as the ability of individual plant functional units, such as gas treating or NGL recovery, to handle additional raw gas volumes may become a limiting factor particularly if current plant operating conditions or gas composition depart significantly from original

plant design operating conditions. Use of throughputs to estimate revenues may be misleading as the Corporation charges different fees for gas streams with different compositions.

Refining Margin

The financial performance of Tidewater's PGR refining operations is impacted by the relationship, or margin, between refined product prices and the prices of refinery feedstock often referred to as the "crack spread". Refining margins are subject to seasonal factors as production changes to match seasonal demand. Sales volumes, prices, inventory levels and inventory values will fluctuate accordingly. Future refining margins are uncertain and decreases in refining margins may have a negative impact on Tidewater's business. Fluctuations in the price of commodities, associated price differentials and refining margins may impact the value of Tidewater's assets, Tidewater's cash flows, Tidewater's ability to maintain Tidewater's business and to fund potential growth projects. Prolonged periods of commodity price volatility may also negatively impact Tidewater's ability to meet guidance targets and meet all of Tidewater's financial obligations as they become due.

Tidewater uses derivative financial and physical instruments related to the future price of crude oil and fuel products and their relationship with each other, with the intent of reducing volatility in its cash flows due to fluctuations in commodity prices and spreads. Tidewater obtains such hedging through hedging instruments. Such hedging activities may not be effective in reducing the volatility of its cash flows and may reduce Tidewater's earnings, profitability and cash flows. Furthermore, Tidewater may not be able to enter into derivative financial or physical instruments to reduce the volatility of the prices of special products it sells if there is no established derivative market for such products. In addition, Tidewater's hedging activities are subject to the risks that a counterparty may not perform its obligations under the applicable derivative instrument, or if the terms of the derivative instruments are imperfect.

Furthermore, refining margins are subject to seasonal factors as production changes to match seasonal demand.

Refinery Operations

Tidewater's refining and marketing business is subject to risks inherent in the operation of refineries, terminals, pipelines and other transportation and distribution facilities including, but not limited to: loss of product, failure to follow operating procedures or operate within established operating parameters; slowdowns due to equipment failure or transportation disruptions; railcar incidents or derailments; marine transport incidents; weather; fires and/or explosions; unavailability of feedstock; and price and quality of feedstock. The Corporation does not insure against all potential occurrences and disruptions, and it cannot be guaranteed that insurance will be sufficient to cover any such occurrences or disruptions. Tidewater's operations could also be interrupted by natural disasters or other events beyond Tidewater's control.

Reliance on Producer Activity and Long Term Declines

The volumes of natural gas processed through Tidewater's natural gas and NGL midstream infrastructure business and of NGLs and other products transported in the pipelines depend on production of natural gas in the areas serviced by the business and pipelines. Without reserve additions, production will decline over time as reserves are depleted and production costs may rise.

The Corporation's facilities are located in or depend on the WCSB. As a mature basin, production is projected to decline over the long term. Although new technology has allowed producers to access and produce reserves that were previously viewed as uneconomic, it is not clear the extent to which such advances in technology will offset the long term overall declines. As well, industry activity levels depend upon economic and regulatory conditions that permit and incent producers to explore for and develop reserves. Producers in the areas serviced by the business may not be successful in exploring for and developing additional reserves, and the gas plants and the pipelines may not be able to maintain existing volumes of throughput. Commodity prices may not remain at a level which encourages producers to explore for and develop additional reserves or produce existing marginal reserves. Lower production volumes will also increase the competition for natural gas supply at gas processing plants which could result in higher shrinkage gas premiums being paid to natural gas producers. The Corporation cannot predict the impact of future economic conditions on the energy and petrochemical industries or future demand for and prices of natural gas, NGLs, crude oil and other products. These and other factors such as higher development costs or royalties, global and North American commodity inventory levels and infrastructure constraints may discourage further producer exploration and

development. A reduction in exploration and development activities or the curtailment of production (whether due to regulatory requirements, market constraints or voluntarily by producers) could result in declines in throughput at gas plants, pipelines, terminals and NGL processing facilities.

The rate and timing of production from proven natural gas reserves tied-in to the gas plants are at the discretion of the producers and are subject to regulatory constraints. The producers have no obligation to produce natural gas from these lands. Producers may suspend their drilling programs or shut in production as a result of lower product prices or higher production costs. Where possible, Tidewater attempts to negotiate area dedications or take-or-pay arrangements with producers or negotiate drilling commitments.

Tidewater's natural gas and NGL midstream infrastructure business is connected to various third party pipeline systems. Operational disruptions or apportionment on those third party systems may prevent the full utilization of the business.

There is also risk associated with Tidewater's customers being able to perform their contracted obligations. For example, customers may not comply with their contracted obligations (counterparty risk) or may not deliver volumes consistent with their production profile (volume risk), all of which could adversely affect Tidewater's financial results, including the returns on capital investments.

Over the long term, business will depend, in part, on the level of demand for NGLs and natural gas in the geographic areas in which deliveries are made by pipelines and the ability and willingness of shippers having access or rights to utilize the pipelines to supply such demand. Tidewater cannot predict the impact of future economic conditions, fuel conservation measures, alternative fuel requirements, governmental regulation or technological advances in fuel economy and energy generation devices, all of which could reduce the demand for natural gas and NGLs.

Petroleum Products

Tidewater's business depends to a large extent on a small number of crude oil and other PGR feedstock suppliers, and refined fuel suppliers. An interruption or reduction in the supply of crude oil or petroleum products and services by such suppliers could adversely affect Tidewater's financial condition. Furthermore, if any of the supply agreements are terminated or end in accordance with their terms, Tidewater may experience disruptions in its ability to supply customers with products until a new source of supply can be secured. Such a disruption may have a material negative impact on Tidewater's financial condition and its reputation. Additionally, Tidewater cannot ensure that it will be able to renegotiate such agreements or negotiate new agreements on terms favourable to Tidewater.

Scheduled and Unscheduled Maintenance

The PGR consists of several processing units, each of which is to undergo scheduled maintenance events every four years. One or more of the units may require additional unscheduled downtime for unanticipated maintenance or repairs. Scheduled and unscheduled maintenance reduces Tidewater's revenues and increases its operating expenses during the period of time that the processing units are not operating and, among other things, could reduce Tidewater's ability to make payments of debt obligations. Furthermore, material unanticipated costs and delays may be incurred in scheduled and unscheduled maintenance which may negatively impact Tidewater's results of operations. Turnarounds at the PGR are scheduled to occur every four years. If unsuccessful or delayed, a turnaround could have a material adverse effect on Tidewater's business, financial condition or results of operations.

Refinery Supply

Tidewater contracts with third parties for the supply of crude oil and other feedstocks to the PGR and for the offtake of refined products from the PGR. Adequate supply and offtake arrangements are a key operational risk for the PGR. An inability to conclude contracts for supply of crude oil or other feedstocks or for the offtake of any stream of refined products from the PGR, or any scheduled or unscheduled interruption in contracted supply or offtake, could have a material adverse effect on Tidewater's business, financial condition or results of operations.

The PGR crude supply is predominantly light crude transported by the Pembina Western Pipeline and operates under published tariff. Under various market conditions, the PGR could see variability in its crude deliveries from the Pembina Western Pipeline as the capacity on the pipeline fluctuates from time to time based on operating conditions

and planned and/or unplanned maintenance. To manage month to month variability, Tidewater has established systems, processes and resources to make the most economic supply decisions within the logistical and operational constraints. Safety of operation is of first priority, with optimization decisions always driven by economics. In addition to the Pembina Western Pipeline line capacity, the PGR also has the ability to receive material volumes of crude by truck when economic (primarily when the Pembina Western Pipeline is not available).

Reliance on Principal Customers, Operators and Suppliers

Tidewater relies on several significant customers to purchase product from the Business. The Corporation is also a party to various joint operating, processing and other agreements in conjunction with its natural gas processing activities. If for any reason such parties were unable to perform their obligations under the various agreements with Tidewater, the revenue of Tidewater, and the operations of the Business could be negatively impacted.

The Corporation enters into many contracts with its customers and suppliers which are often for a defined term or are subject to early termination upon notice. The Corporation also relies on agreements with key customers to underpin capital projects. There is no guarantee that any of the contracts that the Corporation currently has in place will be renewed at the end of their term or replaced with other contracts in the event of early termination. Further, there is a risk that customers or suppliers will be unable to perform their obligations under the contracts. Customers may also seek relief from their contractual obligations or seek to restructure their contractual arrangements. If any of these circumstances were to arise, the revenue generated by the Corporation could be reduced or capital projects could be suspended. In either case, the Corporation's financial results could be adversely affected. In a low commodity price environment, counterparty risk becomes more significant.

In an effort to minimize the risk of reliance on any single customer or supplier, the Corporation continues to diversify its customer and supplier base and actively continues to explore relationships with existing and potential new customers and suppliers. The Corporation also tries to provide efficient, reliable services and to build on its relationships with producers and others as a way of encouraging existing customers to renew contracts and to attract new customers and suppliers. In spite of these efforts, there is no guarantee that the Corporation will be able to renew or replace existing contracts or enter into new contracts or that existing contracts will generate the expected benefits. The Corporation may also be able to partially mitigate potential losses in some circumstances through the use of business interruption insurance; however, such insurance coverage may not be sufficient to compensate for all such losses or damages (See "*Risk Factors – Financial Risks – Adequacy of Insurance*").

Climate Change Regulation and Carbon Tax

GHG, mainly carbon dioxide and methane, are components of the raw natural gas processed and handled at Tidewater's facilities. In addition, operations at Tidewater's facilities, require the combustion of fossil fuels in engines, turbines, heaters and boilers, all of which release carbon dioxide, methane and other greenhouse gases. Tidewater's facilities also use electricity that may be generated at facilities that emit GHGs. These facilities may be impacted by the proposed federal Clean Electricity Regulations. Moreover, Tidewater is directly or indirectly, subject to or impacted by various GHG related regulations, including GHG reporting requirements and CO₂e emission intensity reduction targets. Emissions intensity refers to the amount of GHG, measured on a CO₂e basis, emitted on a unit of production basis. Two of the primary factors that affect emissions intensity at Tidewater's facilities are fuel gas consumption and throughput. Lower throughput and higher levels of fuel gas consumption result in higher emission intensities.

Tidewater may be adversely affected by federal, provincial and foreign legislation, regulations, and policies which are aimed at reducing GHG emissions. Such legislation, regulations, or policies may increase costs and adversely affect Tidewater's operations, particularly at the PGR. There are international agreements (e.g., the Paris Climate Agreement), federal legislation (e.g., the GGPPA (which sets a federal backstop carbon price Canada-wide and an OBPS)) and provincial legislation (e.g., British Columbia's *Greenhouse Gas Industrial Reporting and Control Act* and Alberta's TIER) that aim to reduce greenhouse gas emissions. The GGPPA sets a country-wide floor on the price of carbon under the various provincial regimes. That floor price is \$65 per tonne of CO₂e emissions in 2023 and is legislated to increase by \$15 per tonne annually to \$170 per tonne in 2030. The Government of Canada has also issued the federal Clean Fuel Regulations, which became effective as of July 1, 2023, which beginning in 2023, will require the reduction in carbon intensity of certain liquid transportation fuels such as gasoline and diesel imported into or produced in Canada. The regulations require a 3.5 gCO₂e/MJ reduction in carbon intensity from 2016 baseline levels

in 2023, increasing to a 14 gCO₂e/MJ reduction in carbon intensity by 2030. Additionally, the LCF Act came into effect in British Columbia on January 1, 2024 which mandates the reduction of carbon intensity of transportation fuel supplied in the Province of British Columbia by 30% by 2030 when compared to the 2010 baseline. These policies continue to evolve and may become more stringent over time.

These developments may affect Tidewater's operations by imposing reporting and other regulatory obligations on Tidewater and potentially increasing costs of compliance, costs of supply and the price of petroleum products, which may thereby reduce the demand of such products. In addition, existing and proposed environmental legislation and associated regulations developed by Canadian provinces and the Government of Canada, which require lower carbon intensity fuels may result in increased costs. These regulations may negatively affect the marketing of refined petroleum products and may require Tidewater to alter its products or adapt operations to allow it to sell in such jurisdictions. The cost of such compliance credits may not be able to be passed along to consumers, resulting in lower gross margin to Tidewater on the sale of its products.

In 2016 the Government of Canada announced a national carbon pricing regime, which came into force in 2018 under the GGPPA. The pricing regime is intended to support the objectives of the Paris Agreement on Climate Change which in 2015, was signed by Canada along with 160 other countries. The GGPPA sets a federal backstop carbon price Canada-wide (\$65 per tonne CO₂e emissions in 2023 and increasing by \$15 per tonne annually to \$170 per tonne in 2030) through a federal fuel charge on the distribution of fossil fuels, and an OBPS for large industrial emitters. Under the GGPPA, provinces are required to either adopt the GGPPA, or implement provincial regimes equivalent to the federal fuel charge and the OBPS (with carbon pricing in such regimes equivalent to the federal backstop carbon price). The Government of Alberta has established the TIER, which came into effect in 2020 and was amended in 2023. TIER applies to large industrial emitters and to date has been deemed equivalent to the OBPS. (See *"Other Information Relating to Tidewater's Business - Health, Safety and Environmental Programs"*)

The ultimate effect of climate change legislation, regulations, and initiatives on the operations of Tidewater, and the timing of these effects, will depend on several factors. Such factors include, among others, the GHG emission reductions required for industrial sectors, the extent to which Tidewater can adapt its fuel offerings or take advantage of incentive programs including purchasing compliance units on the open market or through auctions, the price and availability of compliance units, and the extent to which Tidewater is able to recover the costs incurred through the pricing of Tidewater's products in the competitive marketplace. Additionally, government efforts to steer the public toward non-petroleum-based fuel dependent modes of transportation may foster a negative perception toward motor fuel or increase costs for Tidewater's product, thus affecting the public's attitude toward petroleum-based fuel and affect its ability to market and sell such product. Any changes to climate change laws, regulations, and initiatives could materially and adversely affect Tidewater's business, prospects, results of operations or financial condition.

Environmental and Public Safety Considerations

The Corporation's activities are regulated by federal, provincial, and municipal environmental legislation. This legislation imposes, among other things, restrictions, liabilities and obligations in connection with the handling, use, storage, transportation, treatment and disposal of hazardous substances and waste, and in connection with spills, releases and emissions of various substances into the environment. Environmental risks from the Corporation's operating facilities typically include: air emissions, such as sulphur dioxide, nitrogen oxides, volatile organic compounds, particulate matter and GHGs; potential impacts on land, including land reclamation or restoration following construction; the use, storage or release of chemicals or hydrocarbons; the generation, handling and disposal of wastes and hazardous wastes; and water impacts. Environmental controls including physical design, programs, procedures and processes are in place to assist in managing these risks.

Environmental legislation also requires that facilities, pipelines and other properties associated with the Corporation's operations be operated, maintained, abandoned and reclaimed to comply with changing regulations and standards to the satisfaction of applicable regulatory authorities. Many of the Corporation's facilities are subject to licensing requirements imposed by Alberta Environment and Parks and/or the AER. These licenses must be renewed from time to time and there is no guarantee that the licenses will be renewed on the same or similar conditions or at all. In addition, certain types of activities may require the submission and approval of environmental impact assessments or permit applications.

Provincial and federal governments may also take steps to impose stricter regulations and emission limits on greenhouse gas or other emissions in the near term. If it is determined that emissions exceed permitted limits, regulatory requirements will be triggered that require action to be taken to reduce emission levels to acceptable levels, unless an extension or relaxation is granted. There can be no assurance that any extension of time to achieve compliance would be granted, immediate compliance may not be possible, and failure to comply with current or future regulations could have a material adverse effect on the Corporation's business and financial results. Overall, there is some uncertainty surrounding the impact of environmental laws and regulations on the Corporation's operations, and it is difficult to predict how these laws and regulations may evolve. At this time, the Corporation does not anticipate that it will be affected in a manner materially different than any other comparable midstream business, but it will continue to monitor developments and assess the potential implications.

Given the nature of sour gas, certain public safety and environmental risks are inherent in the handling and gas sweetening processes at the Corporation's facilities. Major equipment failure, a release of toxic substances or a pipeline rupture (including as a result of third party contact or impact to the pipeline) could result in damage to the environment and the Corporation's oil and gas infrastructure, death or injury and substantial costs and liabilities to third parties and the Corporation. Further, if, at any time, appropriate regulatory authorities deem any one of the pipelines or facilities unsafe, they may order it to be shut down.

Commodity storage, refining and transportation activities involve numerous risks that may result in environmental damage or otherwise adversely affect the operations of Tidewater's business. Environmental risks inherent in the storage, refining and transportation of crude oil and other petroleum products include, but are not limited to, accidental spills or releases of crude oil, liquid petroleum products, chemicals or other hazardous substances, including without limitation, storm water and processed water. The occurrence or continuance of such events could result in significant environmental pollution; damage to local property, wildlife populations and natural resources; impairment or suspension of operations at the PGR; modifications to or revocation of existing regulatory approvals; fines; and serious reputational damage to Tidewater, any of which could materially and adversely affect Tidewater's business, prospects, results of operations and/or financial condition.

Refinery and facility operations are subject to environmental regulation under federal, provincial and local legislation, regulations and initiatives, including ones designed to reduce greenhouse gas emissions, which may increase costs and adversely affect Tidewater's ability to operate the PGR.

Reliance on Contractors for Refinery Operations

The PGR relies on contractors to conduct some activities onsite (primarily maintenance) and is exposed to risks related to their activities. As a result, the PGR is subject to a number of risks, some of which are outside Tidewater's full control, including:

- negotiating agreements with contractors on acceptable terms;
- reduced control over those activities that are the responsibility of contractors;
- failure of contractors to perform the requirements and obligations under their agreements, including failure to comply with safety systems and standards as well as applicable legal and regulatory requirements; and
- failure of contractors in connection with management of their workforce, labor unrest or other employment issues.

In addition, Tidewater may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could adversely affect Tidewater's results of operations and financial position.

Construction Project Timing and Cost

The Corporation has several projects that are currently under development and the successful completion of several projects is dependent on a number of factors that are outside the Corporation's control. The timing of completion and capital costs may change depending on many factors including supply, demand, inflation, labour, materials and equipment availability, contractor non-performance, weather conditions, cost of engineering services, and other factors that are out of the Corporation's control. As these projects are undertaken, required regulatory approvals may not be obtained, may be delayed or may be obtained with conditions that materially alter the expected return associated

with the underlying projects. Moreover, the Corporation may incur financing costs during the planning and construction phases of its growth projects.

Generally, the cash flows the Corporation expects these projects to generate will not materialize until after the projects are completed. In addition, construction delays, delays in obtaining the required regulatory approvals, or increased costs associated with capital projects could reduce project returns or prevent the Corporation from meeting its contractual “in service” commitments. Further, these projects may be completed behind schedule or in excess of budgeted cost. For example, the Corporation must compete with other companies for the materials and construction services required to complete these projects, and competition for these materials or services could result in significant delays and/or cost overruns. As a result, the cost estimates and completion dates for the Corporation’s major projects can change at different stages of the project. Accordingly, actual costs can vary from these estimates and these differences can be significant. Significant cost overruns may adversely affect the economics of particular projects, as well as the Corporation’s business operations and financial results. Further, there is a risk that maintenance will be required more often than currently planned or that significant maintenance capital projects could arise that were not previously anticipated.

The Corporation tries to mitigate some of these risks through its implementation of a project delivery system, increasing its focus on validating cost estimating, evaluating its contracting strategies and contractor selection processes, project controls and developing enhancements to its procurement processes. In addition, the Corporation tries to build in reasonable time frames and contingencies into its agreements and project economics.

Federal Air Quality Management system

The Multi-sector Air Pollutants Regulations (“MSAPR”) issued under the CEPA, 1999, seek to protect the environment and health of Canadians by setting mandatory, nationally-consistent air pollutant emission standards. The MSAPR are aimed at equipment-specific Base-Level Industrial Emissions Requirements (“BLIERS”). Nitrogen oxide BLIERS from Tidewater’s non-utility boilers, heaters and reciprocating engines are regulated in accordance with specified performance standards. Tidewater does not anticipate a material impact to existing or future operations as a result of the MSAPR, Canadian Ambient Air Quality Standards (“CAAQS”) for nitrogen dioxide, sulphur dioxide, fine particulate matter and ozone were introduced as part of a national Air Quality Management System. Provincial level implementation of the CAAQS may occur at the regional air zone level and air zone management actions may include more stringent emissions standards applicable to industrial sources from approval holders in regions where the Corporation operates that may result in adverse impacts such as but not limited to increased operating costs.

Operational Hazards

The Corporation’s operations are subject to common hazards of the natural gas (sweet and sour), NGL and crude oil refining and handling business. The operation of Tidewater’s light crude oil refining, natural gas and NGL midstream infrastructure business could be disrupted by natural disasters or other events beyond the control of Tidewater. A casualty occurrence could result in the loss of equipment or life, as well as injury and property damage.

The Corporation also transports volumes of hydrocarbons by rail which may be more prone to accidents and mishaps than pipeline transportation of hydrocarbons. The operation of the Corporation’s assets involves many risks, including the breakdown or failure of equipment, information systems or processes, the performance of equipment at levels below those originally intended (whether due to declining throughput, misuse, unexpected degradation or design, construction or manufacturing defects), failure to maintain an adequate inventory of supplies or spare parts, operator error, labour disputes, disputes with owners of interconnected facilities and carriers, releases of harmful substances into the environment, spills associated with the loading and unloading of harmful substances onto rail cars and trucks, and catastrophic events such as natural disasters, fires, explosions, derailments, fractures, well blowouts, acts of terrorists and saboteurs, and other similar events, many of which are beyond the control of the Corporation. The occurrence or continuance of any of these events could increase the cost of operating the Corporation’s facilities and/or reduce its processing or throughput capacity, or result in damages, claims or fines, all of which could adversely affect the Corporation’s operations and financial performance.

Regulatory Compliance, Approvals and Interventions

The Corporation is subject to extensive local, provincial, and federal laws and regulations that require it to obtain registrations, licenses, permits, inspections and other approvals in order to operate, including but not limited to, those relating to emissions to the air, discharges into water, releases of hazardous and toxic substances and remediation of contaminated sites. There is no guarantee that these, or any other, approvals can be obtained on a timely basis, or at all. Delays in processing applications may impact the schedule for capital projects. In some instances, regulatory delays, whether as a result of actions by a regulator or intervention by third parties, may result in project delays, project economics becoming less favourable or, in some cases, projects not proceeding at all. The cost to comply with regulatory requirements can be significant. As well, changes to federal and provincial environmental laws may adversely affect the ability of Tidewater and others to advance projects which could adversely affect Tidewater's growth opportunities. Regulatory uncertainty makes it challenging for industry, including Tidewater, to make investment decisions and forecast compliance obligations (including costs) which compounds the challenges with the investment climate and industry activity in the WCSB. (See "*Risk Factors – Operational Risks Changes in Laws*").

Pipelines and facilities can be subject to common carrier and common processor applications and to rate setting by regulatory authorities in the event that agreement on fees or tariffs cannot be reached with producers. To the extent that producers believe processing fees or tariffs respecting pipelines and facilities are too high, they may seek rate relief through regulatory means. The Corporation tries to reduce the likelihood of regulatory intervention by taking industry standards and guidelines into account and by working proactively with various stakeholders and its customers. Rates and tariffs for the Corporation's pipelines and facilities are generally established to recover capital costs and earn a reasonable rate of return on investment. To date, no pipeline or facility operated by the Corporation has ever been declared to be a common carrier or a common processor. Nevertheless, there is no guarantee that the Corporation will be able to avoid challenges to its rates and tariffs. Further, the Corporation may also be adversely affected by regulatory action taken with respect to third party systems and infrastructure (See "*Risk Factors – Operational Risks – Reliance on Other Facilities and Third Party Services*").

Effective Internal Controls

Effective internal controls are necessary for the Corporation to provide reliable financial reports, manage the Corporation's risk exposure and to help prevent fraud. Although the Corporation undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting. If the Corporation or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's financial statements and reduce the trading price of the Common Shares.

Reliance on Other Facilities and Third Party Services

The Corporation's facilities are connected to various third party pipeline systems. These connections are important to the Corporation and its customers as they provide critical transportation routes. In particular, the Corporation's Business also relies on connections to other third party infrastructure, including various pipelines and rail facilities. Risks may be created as a result of lack of alignment between the third party facilities and the Corporation's facilities. For example, there may be differences in pressures, specifications or capacities which affect operations. As well, there may be issues with respect to scheduling and service delivery by third parties that affect the Corporation's operations, such as the scheduling and availability of timely and reliable rail service by the railway companies on which the Corporation relies at its rail terminals. As well, operational disruptions, apportionment, regulatory action and other events on third party systems and infrastructure may prevent the full utilization of the Corporation's facilities, require the Corporation to spend additional capital, or otherwise hamper the Corporation's business activities.

Tidewater is also impacted by the development or lack of development of pipeline infrastructure providing product egress from the WCSB. Without incremental project egress options, it is possible the pricing differentials and supply/demand dynamics will continue to disadvantage the WCSB which may have an adverse effect on Tidewater's business.

The Corporation is unable to control operations, events, decisions or regulatory actions with respect to third party facilities making the mitigation of these risks challenging. However, generally speaking, the owners of these facilities

have significant financial resources, competent personnel, formal security programs, and well developed operating practices and inspection and maintenance programs. The Corporation is also unable to control regulatory actions that may be taken with respect to third party facilities. Depending on the nature of the regulatory action taken, the Corporation's commercial operations and business arrangements could be adversely affected (See "*Risk Factors – Operational Risks – Regulatory Compliance, Approvals and Interventions*").

Possible Failure to Realize Anticipated Benefits of Corporate Strategy

Tidewater's corporate strategy will continue to involve the evaluation of new investments, acquisitions and divestures. Planning and investment analysis is highly dependent on accurate forecasting assumptions and, to the extent that these assumptions do not materialize, financial performance may be lower or more volatile than expected.

As part of its ongoing strategy Tidewater may complete acquisitions of assets or other entities in the future. The success of any future acquisitions will depend, in part, on Tidewater's ability to:

- identify suitable businesses;
- negotiate the purchase of those businesses (or investment in the businesses) on acceptable terms;
- complete the transactions within the expected time frame;
- fund the transaction;
- obtain necessary regulatory, other approvals or required consents of third parties within the expected time frame;
- improve the results of operations of the businesses that it buys and successfully integrate the operations, financial reporting and personnel of acquired business with Tidewater;
- achieve the anticipated synergies in the acquired business or strategic investments;
- retain key employees, customers or suppliers of the acquired business; and
- effectively address any regulatory requirements in connection with such acquisitions.

Tidewater may fail to properly complete any or all of these steps and may also experience other impediments to its strategy. Tidewater may not be able to find appropriate acquisition targets or, if appropriate targets are found, Tidewater may not be able to close such transactions or integrate the acquired businesses effectively or profitably.

Other companies may also be seeking to acquire similar businesses, including companies that may have greater financial resources than Tidewater. Increased competition may reduce the number of successful acquisitions or may lead to unfavourable terms on acquisitions that are successful, including higher purchase prices. If acquisition targets are unavailable or too costly, Tidewater may need to change its business strategy as it relates to acquisitions.

As part of its value proposition evaluation, Tidewater may also choose to divest assets to optimize its operations and financial performance. Tidewater may, however, be unable to sell certain assets or, if Tidewater is able to sell certain assets, it may not receive the optimal or desired amount of proceeds from such asset sales. Additionally, the timing to close any asset sale could be significantly different than Tidewater's expected timeline.

If Tidewater is unsuccessful in implementing its corporate strategy, its financial condition and results of operations could be materially adversely affected. Even if Tidewater is able to make new investments, acquisitions or divestitures on advantageous terms, some new investments, acquisitions and divestitures may not fulfill Tidewater's strategy in a given market due to factors that Tidewater cannot control, such as market position or customer base.

Risks Arising from Co-ownership

Many of the Corporation's facilities are jointly owned with third parties. Approvals must be obtained from such joint owners for proposals to make capital expenditures regarding such facilities. These approvals typically require that a capital expenditure proposal be approved by at least two or three owners holding a specified percentage of the ownership interests in the relevant facility, usually ranging between 50% and 70%. It may not be possible for the Corporation to obtain the required levels of approval from co-owners of facilities for future proposals for capital expenditures, which may adversely affect the Corporation's ability to expand or improve its existing facilities. In addition, agreements for joint ownership often contain restrictions on transferring an interest in a facility. The most frequent restriction is a right of first refusal which requires a transferor who is proposing to transfer an interest, to offer such interest on the same commercial terms to the other holders of interests in the facility prior to completing

the transfer. Such provisions may restrict the Corporation's ability to transfer its interests in facilities or to acquire a joint venture owner's interests in facilities and may also restrict the Corporation's ability to maximize the value of a sale of its interest.

The Corporation has been increasing its ownership interests at many of its existing gas plants over the years, in many cases becoming the sole owner, in order to mitigate some of the risks arising from co-ownership. However, many of the Corporation's current capital projects and business initiatives are joint ventures, and in several of these projects the Corporation was not appointed or will not be appointed the operator.

As part of the Corporation's effort to minimize the risks associated with co-ownership, the Corporation maintains communication with its co-owners through its participation in operating committees (where possible) and formal decision-making processes such as mail ballots and expenditure approvals. The Corporation also utilizes its knowledge of industry activity and relationships with other owners to mitigate the risk of uncooperative behaviour. However, there is no guarantee that the Corporation will be able to execute its preferred business or operational strategy at facilities which are jointly owned.

In addition, some of the Corporation's facilities are operated by third parties and, therefore, to the extent a third party operator fails to perform its functions efficiently or becomes insolvent, the Corporation's business and operations may be adversely affected. Efforts to mitigate this risk by contracting with competent operators and negotiating appropriate allocation of risk in its contracts may not be effective.

Natural Gas and NGL Composition

Each of the Corporation's gas plants is designed to process raw natural gas feedstock within a certain range of composition specifications. The gas plants may require modification to operate efficiently if the composition of the raw gas being processed changes significantly. The configuration of each of the Corporation's gas plants may not be optimal for efficient operation in the future if a change in inlet gas composition is outside a plant's acceptable range of composition specifications.

The Corporation monitors plant throughput, gas composition, third party system performance and industry development activity in the capture areas surrounding its facilities on an ongoing basis. This information is used to assist with ongoing operational decisions, bringing on new production and new customers, evaluating expansion opportunities and assessing opportunities to modify or add new services to accept the inlet gas in the capture areas surrounding its facilities.

The Corporation's NGL facilities are also exposed to risks associated with feedstock composition. If the NGLs handled at these facilities differ in composition or specification from the design of the facilities, there may be operational challenges and additional maintenance activities may be necessary.

Competition

Tidewater's Business is subject to competition from other gas processing plants which are either in the general vicinity of the gas plants or have gathering systems that are or could potentially extend into areas served by the gas plants. The pipelines and storage, terminalling and processing facilities are also subject to competition from other pipelines and storage, terminalling and processing facilities in the areas they serve, and the gas products marketing business is subject to competition from other marketing firms. In addition, the PGR has competition from other refiners importing fuels into the greater Prince George region, although this risk is partially mitigated by barriers to entry including lack of infrastructure to displace all PGR volumes.

Producers in Western Canada compete with producers in other regions to supply natural gas and gas products to customers in North America and the natural gas and gas products industry also competes with other industries to supply the fuel, feedstock and other needs of consumers. Such competition may have an adverse effect on the production of natural gas and gas products in Western Canada and, as a result, on the demand for Tidewater's services.

Overall, competition for business opportunities has continued to be aggressive. This competitive dynamic may place downward pressure on expected returns when seeking to negotiate new projects and opportunities or force Tidewater to reduce its fees (and associated) returns in order to retain customers.

The Corporation tries to mitigate these risks by working cooperatively with its existing customers, monitoring industry activity and the activities of its competitors in key markets and being proactive in identifying opportunities in existing and emerging markets. In some circumstances, the capital investment necessary to construct new competitive infrastructure may discourage some potential new competitors from constructing new facilities. While the Corporation feels it is well positioned to compete with its peers, the aggressive action by competitors, changes in law, declines in production and a stronger shift in the marketplace to non-hydrocarbon based renewable energy sources could all adversely affect the Corporation's competitive position.

Abandonment and Decommissioning

Tidewater is responsible for compliance with all laws and regulations regarding abandonment and decommissioning of Tidewater's Business at the end of their economic life, which abandonment costs may be substantial. A breach of such legislation and/or regulations may result in the imposition of fines and penalties, including an order for cessation of operations at the site until satisfactory remedies are made. It is not possible to estimate reliably the abandonment and reclamation costs since they will be a function of regulatory requirements at the time and the value of the salvaged equipment may be more or less than the abandonment and reclamation costs. In the future, the Corporation may determine it prudent or be required by applicable laws or regulations to establish and fund one or more reclamation funds to provide for payment of future abandonment and reclamation costs. See also "*Other Information Relating to Tidewater's Business – Decommissioning, Abandonment and Reclamation Costs*".

Transportation of Dangerous Goods

Petroleum products, including NGLs and crude oil are subject to regulation under transportation of dangerous goods ("TDG") legislation in Canada and the U.S. Tidewater has a fleet of rail cars that it uses to move these products across Canada and the U.S. Tidewater also leases trucks, has truck loading/off-loading racks at a number of its facilities and also contracts with other companies to provide trucking services for products requiring transport. Because Tidewater ships these products to various locations across North America, it is required to comply with TDG laws in each of these jurisdictions.

The volume of product shipped, and the number of rail cars loaded at the Corporation's facilities has continued to increase over the years. When the Corporation loads petroleum products, it may be considered the consignor, in which case it has specific responsibilities under the TDG laws, including the responsibility to ensure that the product is properly classified, the shipment is properly labelled, and the product is loaded in an appropriate tank. The Corporation also owns and operates rail infrastructure and must comply with applicable laws (including TDG laws) relating to the maintenance and inspection of these facilities.

Tidewater may face liability for personal injuries, damage to property, and lost product in the event of an incident involving rail cars or trucks loaded by Tidewater where Tidewater is the consignor or importer of the product, where Tidewater owns the product that is involved in an incident, or where an incident occurs on Tidewater's proprietary rail infrastructure. As well, under various environmental statutes in both Canada and the U.S., Tidewater could be held responsible for environmental damage caused by hydrocarbons loaded at its facilities or being carried on its leased rail cars. In the event that Tidewater is ultimately held liable for any damages resulting from its activities relating to TDG, for which insurance is not available or increased costs or obligations are imposed on Tidewater as a result of new regulations, Tidewater's business, operations and financial performance could be adversely affected.

In addition, the Corporation may be exposed to regulatory action in the event that it fails to comply with TDG laws.

The Corporation regularly assesses the risks associated with the transportation of dangerous goods. The risk mitigation measures that the Corporation employs include, among other things: training programs for operational and logistics staff; adoption of general and site-specific procedures for loading/unloading, infrastructure maintenance, testing and product classification; leasing rail cars that comply with current regulatory requirements; engaging with industry associations and regulatory agencies; periodically auditing operations and logistics practices; reviewing insurance requirements and securing appropriate coverage; and, hiring specialists as appropriate to assist. There is no guarantee that these mitigation measures will be effective.

Change in Laws

The oil and natural gas industry, including the downstream and midstream industry, is subject to regulation and intervention by governments in such matters as environmental protection, exploration and development activities, the licensing, operation and expansion of wells and facilities, and the abandonment of facilities. There is no guarantee that laws and administrative policies relating to the oil and natural gas industry, including the midstream industry, will not be changed in a manner which could adversely affect the Corporation. In addition to being affected by changes aimed directly at midstream facilities, the Corporation could also be adversely affected by changes in regulations or policies directed at upstream activities, such as land sales, exploration and development in the capture areas surrounding the Corporation's facilities, as well as changes directed at downstream activities, including retail and consumer uses. In addition, the Corporation could be adversely affected by the imposition of additional emission limits for GHGs in Canada or the U.S.

Proposed changes to federal environmental assessment requirements have raised a number of concerns for the oil and gas industry and created uncertainty for project proponents. If these changes are passed into law, the ability to secure approvals for projects may be adversely affected. This could affect Tidewater directly if any of its potential future projects become subject to the new environmental assessment requirements, as well as indirectly if the proposed new laws become a deterrent to the development of oil and gas in Canada. Overall regulatory uncertainty and ongoing regulatory change in Canada contributes to an uncertain investment climate, which has implications for industry activity levels, investor perceptions, and the ability to accurately forecast future costs and obligations. (See "*Risk Factors – Operational Risks – Regulatory Compliance, Approvals and Interventions*").

In the event of legislative or regulatory changes, the Corporation's ability to conduct business may be adversely affected, which could thereby have a negative effect on distributable cash flow.

Indigenous Consultation and Claims

Some of the Corporation's facilities are located near reserve lands or other lands that have been traditionally used and occupied by Indigenous peoples. Indigenous peoples have Aboriginal Title to a considerable portion of lands in Western Canada and hold Aboriginal and treaty rights in these areas.

Aboriginal rights and treaty rights are constitutionally protected rights and continue to be interpreted and affirmed by Canadian courts. Government policy relating to consultation and engagement with Indigenous communities (including the requirements that are imposed on industry) continues to evolve. The consultation processes and expectations of parties involved can vary considerably from project to project and between Indigenous communities, which can contribute to process uncertainty, increased costs, delays in receiving required approvals, and potentially, an inability to secure required approvals for some projects.

In Canada, the Crown (federal, provincial and territorial governments) has a duty to consult and, when appropriate, accommodate Indigenous peoples where it contemplates conduct that may adversely impact asserted or established Aboriginal or treaty rights, as confirmed in the Supreme Court of Canada's decision in *Haida Nation v British Columbia (Minister of Forests)*, 2004 SCC 73. Crown actions include, among others, decisions to issue regulatory project approvals, licenses and permits that may adversely impact Aboriginal rights and treaty rights. The Crown may delegate the procedural aspects of the duty to consult and accommodate, where appropriate, to industry proponents, however, the Crown is responsible for ensuring the duty is met. The processes established by regulatory bodies, such as the AER, the British Columbia Oil and Gas Commission, the British Columbia Environmental Assessments Office and the Canada Energy Regulator, often include an assessment of Aboriginal rights and consultation obligations. This is often a major aspect of regulatory permitting processes. If the Crown's duty to consult has not been appropriately discharged relative to the issuance of regulatory approvals required by Tidewater, the issuance of such approvals may be delayed or denied, thereby impacting Tidewater's operations.

Further, the successful assertion of Aboriginal rights or title could have a significant adverse effect on oil and gas development in Alberta and British Columbia, which in turn could have a material adverse effect on the Corporation's business and operations, including the volume of natural gas and NGLs handled through the Corporation's facilities. Additionally, some types of claims may affect or limit the Corporation's ability to secure locations for capital projects.

On June 29, 2021, the Supreme Court of British Columbia in its decision in *Yahey v British Columbia*, 2021 BCSC 1287 (“**Yahey**”), ruled that the Province of British Columbia breached its obligation under Treaty 8 because it authorized the cumulative impacts of activities “associated with oil and gas, forestry, mining, hydroelectric infrastructure, agricultural clearing and other activities” over many years on the traditional territory of the Blueberry River First Nation (the “**BRFN**”). The court found that the actions of the Province diminished the ability of the BRFN to exercise their treaty rights. *Yahey* is the first decision in Canada to recognize that cumulative impacts arising from industrial development can justify a treaty infringement. The decision in *Yahey* called for the Province of British Columbia to pause some development in the area subject to the BRFN’s claim pending the results of an investigation into the cumulative impacts in the BRFN’s claim area and how to manage and mitigate these impacts. The implications of *Yahey* have also permeated provincial borders. In July of 2022, the Duncan First Nation (the “**DFN**”), a Treaty 8 First Nation in northern Alberta, commenced legal action against the Province of Alberta alleging that the Province unjustifiably infringed on its treaty rights by permitting industrial development on treaty territory. The DFN’s arguments mirror the successful arguments presented by the BRFN in *Yahey*.

In response to *Yahey*, on January 19, 2023, the Province of British Columbia announced that it entered into consensus agreements with four Treaty 8 First Nations in northeastern British Columbia. The agreements establish initiatives to protect the Aboriginal and treaty rights of the First Nation signatories, establish how the cumulative impacts of industrial development in this region will be addressed and how to facilitate responsible resource development and economic activity in the northeast. The consensus agreement under which the BRFN is signatory, establishes the joint management of land-use planning between the BRFN and the Province. The agreement, among other things, establishes limits on new oil and gas activities. Specifically, the agreement protects over 650,000 hectares that BRFN lands that are considered high-value from new petroleum and natural gas and forestry activities. This presents additional risk for the Corporation as it may adversely affect or limit the Corporation’s ability to secure locations for oil and gas projects in the northeastern region of British Columbia that are subject to Treaty 8.

The Blueberry River decision has potentially significant implications on regulatory and operational requirements for industrial development activities in northeast British Columbia and could extend to other areas in Canada where similar claims may be made. The specific impact of the Blueberry River decision on Tidewater’s operations in the Treaty 8 area are currently unknown.

To further reconciliation with Indigenous peoples in Canada, the federal government enacted the United Nations Declaration on the Rights of Indigenous Peoples Act (“**UNDRIP Act**”) on June 21, 2021. The legislation affirms the application of the United Nations Declaration on the Rights of Indigenous Peoples (“**UNDRIP**”) in Canadian law and provides a framework for the federal government to develop an action plan to implement UNDRIP, in consultation with Indigenous peoples. On June 21, 2023, the UN Declaration Act Action Plan (the “**UNDRIP Action Plan**”), developed in consultation and cooperation with First Nations, Inuit and Metis from across Canada, was released by the Federal Government. The UNDRIP Action Plan contains 181 measures aimed at furthering the objectives of UNDRIP with a particular focus at advancing Indigenous self-determination through self-governance. In November 2023, the Superior Court of Quebec in *R. c. Montour*, 2023 QCCS 4154 held that UNDRIP is a binding international instrument and that Section 35(1) of the *Constitution Act*, which recognizes and affirms Aboriginal and treaty rights, “should offer a protection at least as great as that afforded by the UNDRIP.” While the Province has since appealed the Superior Court’s decision, it demonstrates how the interpretation and application of UNDRIP by Canadian courts will continue to evolve.

In 2019, the Province of British Columbia enacted the Declaration on the Rights of Indigenous Peoples Act (“**DRIPA**”), which is intended to harmonize provincial laws with UNDRIP. In March of 2022, the Province released its first action plan under DRIPA, which outlines steps that the Province must take over the next five years, in consultation with Indigenous peoples. On September 27, 2023, the British Columbia Supreme Court released its decision in *Gitxaala v British Columbia (Chief Gold Commissioner)*, 2023 BCSC 1680, which is the first case to consider the application and interpretation of DRIPA. The Court clarified that “DRIPA does not implement UNDRIP” into provincial law and further, “does not create justiciable rights.” The Court also concluded that UNDRIP is not presently binding under provincial law in British Columbia as it remains “a non-binding international instrument.” The *Gitxaala* decision may be indicative of how similar legislation may be interpreted by the courts in other Canadian jurisdictions. On June 6, 2022, the Province entered into a historic consent-based agreement under DRIPA with the Tahltan Nation, a First Nation in Northern British Columbia. The agreement governs the Eskay Creek Revitalization Project and provides that the project cannot proceed without consent from the Tahltan Nation. Although this agreement

is specific to a particular First Nation and project, it can potentially set a precedent for future engagement among Canadian governments, industry and Indigenous groups with respect to the project approval process.

To help mitigate the risks described above, the Corporation monitors developments that may affect activities around its facilities and changes in government policy. When appropriate, the Corporation works, directly or indirectly, with Indigenous communities that may possess Aboriginal rights or title where its facilities are located, in the areas affected by the Corporation's ongoing operations and for construction or expansion projects.

Information Technology Systems and Cyber Security

The Corporation utilizes a number of information technology systems for the management of its business and the operation of its facilities. The reliability and security of these systems is critical. If the functionality of these systems is interrupted or fails and cannot be restored quickly, or if the technologies are no longer supported, the Corporation's ability to operate its facilities and conduct its business could be compromised. Further, although the technology systems the Corporation utilizes are intended to be secure, there is a risk that an unauthorized third party could access the systems. Such a security breach could lead to a number of adverse consequences, including but not limited to, the unavailability, disruption or loss of key functionalities within the Corporation's control systems, the inability to safely operate the Corporation's assets and the unauthorized disclosure, modification, corruption or loss of sensitive company information, including trade secrets and confidential business information, customer or personal information relating to its personnel. The loss or misuse of this information could cause business disruptions, reputational damage, extensive personal injury and third party claims which could negatively impact Tidewater's operations and financial performance.

As a result of the critical nature of energy infrastructure, the industry has experienced an increasing cyber security risk. This risk is especially heightened as a result of Russia's invasion of Ukraine on February 24, 2022 and the continued conflict. Notable cybersecurity threats include unauthorized access to information technology systems due to hacking, viruses, cyber phishing attacks and other causes that can result in service disruptions, system failures and unauthorized access to confidential business information.

The Corporation attempts to prevent such breaches through the implementation of various technology security measures, segregation of control systems from its general business network, engaging skilled consultants and employees to manage the Corporation's technology applications, conducting periodic audits and adopting policies and procedures as appropriate. Additional measures that the Corporation uses to attempt to prevent such breaches include the implementation of various technology security measures, the use of enterprise level security platforms, keeping critical physical systems in a secure/offsite location, the segregation of control systems from its general business network, engaging skilled consultants and employees to manage the Corporation's technology applications, conducting periodic audits, and adopting policies and procedures as appropriate. There is no guarantee that these measures will be effective.

At the operational level, Tidewater relies on electronic systems for recording of sales and accumulation of financial data and analytical information. A major failure of computer systems would disrupt the flow of information and could cause loss of data records or corruption of data, which could impact the accuracy of financial reporting and management information and Tidewater's ability to operate its business. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses, which could result in a loss of sensitive business information, systems interruption or the disruption of Tidewater's business operations.

There is significant change, disruption and growth in technology in the current environment. In such an environment, Tidewater may experience an inability to clearly define and prioritize technology requirements and infrastructure design, resulting in ineffective implementation of new technologies and, an inability to effectively operate and maintain existing infrastructure. The Corporation may not be able to innovate new digital solutions and scalable data infrastructure for digital offering at the same pace as the larger market solutions that are based on digital design and advanced analytics; and establish organic growth platforms to better understand, target and engage Tidewater's customers. These risks could materially adversely affect Tidewater's operations and its ability to compete in the market.

Unknown Liabilities from Acquisitions

In pursuing acquisitions, Tidewater conducts due diligence on the business or assets being acquired and seeks detailed representations and warranties respecting the business or assets being acquired. Despite such efforts, there can be no assurance that Tidewater will not become subject to undisclosed liabilities or litigation as a result of acquisitions, including but not limited to, undisclosed and unknown liabilities related to any or all of Tidewater's past transactions. In addition, liabilities may exist which were not discovered during the due diligence process prior to completing such acquisitions. This failure to discover potential liabilities may be due to various factors, such as failure to accurately assess all of the pre-existing liabilities of the operations acquired or vendors failing to comply with applicable laws. If this occurs, Tidewater may be responsible for such liabilities, which could materially and adversely affect Tidewater's business, prospects, results of operations or financial condition.

Weather Conditions and Climate Change

Weather conditions and changes to the climate can affect the demand for and price of refined products, crude oil feedstock, natural gas and NGLs. As a result, changes in weather patterns can affect throughput as well as the Corporation's refined products and NGL marketing activities. For example, colder winter temperatures generally increase demand for natural gas and NGLs used for heating, which tends to result in increased throughput volumes at facilities and higher prices in the marketing business. In its facilities and NGL business, the Corporation tries to position itself to be able to handle increased volumes of throughput and storage at its facilities to meet changes in seasonal demand; however, at any given time, facility and storage capacity is finite. Weather may also affect the operations and projects of the Corporation's customers and suppliers, thereby influencing the services and products the Corporation provides and/or receives.

Weather conditions and catastrophic events, including, but not limited to, those related to climate change and extreme weather events, including floods, fires, extreme heat and extreme cold, can pose safety concerns for workers and can affect the performance and operation of the Corporation's facilities. Weather conditions (including those associated with climate change) may also influence the Corporation's ability to complete capital projects or facility turnarounds on time, potentially resulting in delays, increasing costs of such capital projects and turnarounds, and in some cases, may result in the Corporation being unable to meet its contractual "in service" dates.

Employees and Contractors

A skilled workforce is important to the ongoing success of the Corporation. If the Corporation is unable to attract and retain skilled employees and contractors in variable employment markets, the Corporation's business and operations could be adversely affected. Further, the cost of retaining employees and hiring contractors in some locations can place inflationary pressure on the Corporation's costs.

Given the demand for many of these skilled individuals, the Corporation devotes a significant amount of resources and planning to the recruitment, retention, and training of its employees and contractors to secure the required level of staffing and skills necessary to support its businesses and projects. As a result, the Corporation maintains a relatively good relationship with its employees and tries to cultivate a work environment in which employees have internal growth opportunities. The Corporation also tries to cultivate good relationships with dependable contractors in order to try to benefit from reliability and continuity of service. Nevertheless, if the Corporation is not able to attract skilled employees and contractors, its ability to execute its business plans may be impaired.

Dependence on Key Personnel

The success of Tidewater has been largely dependent on the skills and expertise of its key personnel to manage the overall business and achieve positive margins. The continued success of Tidewater will be dependent on its ability to retain such personnel. Costs associated with retaining key personnel could adversely affect Tidewater's business operations and financial results. Tidewater tries to mitigate the risk of losing key personnel for economic reasons by obtaining expert advice with respect to compensation matters (including salary as well as long and short term incentive plans). Tidewater also participates in industry compensation surveys in order to measure its compensation package against prevailing market rates. Tidewater also places significant emphasis on employee engagement and maintaining a positive corporate culture.

Labour Relations

The BRC gas plant is subject to a collective agreement. Approximately 43 employees employed by Tidewater at the BRC are represented by Unifor Local 431. The collective agreement for employees at the BRC was ratified on January 8, 2020 and expired on January 31, 2023. Union negotiations with Unifor Local 431 have started as of the date of this AIF.

Additionally, approximately 94 employees employed by Tidewater at the PGR are represented by Unifor Local 1997. In April, 2019, Tidewater's predecessor at the PGR, Husky Energy Inc. (now Cenovus), negotiated a new collective agreement with Unifor Local 1997 that expired on January 31, 2023. Union negotiations with Unifor Local 1997 have not started as of the date of this AIF.

Labour disruptions could restrict the ability of the BRC gas plant to process natural gas and pipeline operations to operate, as well as the ability of the PGR to produce refined products, and therefore affect the Corporation's financial results. The Corporation has entered into union negotiations with Unifor Local 431 and intends to enter into negotiations with Unifor Local 1997 in 2024, however, the Corporation cannot guarantee that it will be able to successfully negotiate new collective agreements at either facility. Any work stoppages or unbudgeted or unexpected increases in compensation could have a material adverse effect on the Corporation's operations and financial condition.

See "*Business of Tidewater – Employees and Labour Relations*".

Conflicts of Interest

There are potential conflicts of interest to which some of the directors and officers of Tidewater will be subject in connection with the operations of Tidewater. Some of the directors and officers are engaged and will continue to be engaged in the midstream infrastructure business on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with Tidewater. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with Tidewater, to disclose their interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Technological Developments and Changes in Consumer Preferences

New technologies that increase fuel efficiency, reduce consumption or offer reliable and affordable alternative vehicle power sources will reduce consumption and demand of the petroleum-based motor fuels. These technological developments could potentially have a material adverse effect on the Corporation's business, financial condition and results of operations if the Corporation does not adapt to changing consumer demands. Tidewater's success depends on its ability to anticipate and respond in a timely manner to changing consumer demands and preferences while continuing to sell products and services that remain relevant to the consumer and thus will positively impact overall gross profit. These technological developments could potentially have a material adverse effect on the Corporation's business, financial condition and results of operations if the Corporation does not adapt to changing consumer demands.

Climate change regulation, environmental awareness and new technologies intended to reduce greenhouse gas emissions may create negative sentiment towards fuel products, causing consumers to change their behavior to reduce their consumption of fuel products. Such changes in consumer preferences could result in a decrease in demand for Tidewater's fuel and convenience products.

Reputational Risk

The Corporation believes its reputation as a reliable and responsible midstream energy services provider is one of its most valuable assets. Maintaining a positive reputation in the eyes of its customers, regulators, communities and the general public is an important aspect of the implementation of the Corporation's business strategy. The Corporation's reputation may be adversely impacted by the actions and activities it undertakes, as well as the activities of its employees. In addition, the Corporation's reputation could be affected by the actions and activities of other companies

operating in the energy industry and by general public perceptions of the energy industry, over which the Corporation has no control. For example, negative publicity related to pipeline incidents, unpopular expansion plans or new projects, as well as opposition from organizations opposed to oil and gas, oil sands or pipeline development, including greenwashing claims made by these and other organizations, all have the potential to affect the perception of the Corporation by its stakeholders. The increasing debate and focus on climate change has contributed to increasing negative public sentiment toward the hydrocarbon-based energy sector and higher levels of scrutiny with respect to emissions and overall environmental performance, even where such performance is in compliance with environment laws and regulations. If the Corporation's reputation is diminished, it could result in, among other things: loss of customers; revenue loss; delays in obtaining regulatory approvals with respect to growth projects; increased operating, capital, financing or regulatory costs; lower shareholder confidence; or loss of its social license to operate.

Inflation

The general rate of inflation impacts the economic and business environment in which Tidewater operates. In response to sustained, elevated global inflationary pressures resulting from, among other things, the COVID-19 pandemic and the conflict between Ukraine and Russia, major central banks, including the Bank of Canada, increased benchmark interest rates multiple times throughout 2022 and the first three quarters of 2023 and may continue to raise them again in the future. Increased inflation and economic conditions resulting from governmental attempts to reduce inflation, including the imposition of higher interest rates or wage and price controls, may negatively impact the demand for Tidewater's products and services, increase the cost of inputs, and could, accordingly have a negative effect on Tidewater's business, financial condition and results of operations. The continued imposition of higher interest rates as a result of inflation could negatively impact the Corporation's borrowing costs, which could, in turn, have a negative effect on Tidewater's distributable cash flow and ability to service its debt obligations.

Expansion of Operations

The Corporation's operations and expertise are currently focused primarily on refining and midstream oil and gas activities; however, in the future it is possible that the Corporation could engage in other activities. Expansion of the Corporation's business into new areas may present new risks or significantly increase the exposure to one or more of the existing risks, any of which may adversely affect the Corporation's future operational and financial conditions. To help mitigate this risk, expansion opportunities, whether within the Corporation's core activities or into new activities, are carefully evaluated. The Corporation reviews the criteria it uses to evaluate expansion opportunities based on its assessment of the business environment and fit with the Corporation's business strategy. As appropriate, the Corporation evaluates the need for additional insurance that may be required to address the risk profile associated with any new businesses or expansion of operations.

Exploration and Development of Upstream Assets

The Corporation has acquired certain minor upstream assets and may acquire other upstream assets in connection with future acquisitions. Although the Corporation does not plan at this time to expand its operations to include the exploration and development of such assets, in the event the Corporation does engage in such activities, it will involve the risks normally associated with the exploration, development and operation of oil and natural gas properties and the drilling of oil and natural gas wells, including encountering unexpected formations or pressures, premature declines of reservoirs, potential environmental damage, blow-outs, cratering, fires and spills, all of which could result in personal injuries, loss of life and damage to property of Tidewater and others. In accordance with customary industry practice Tidewater does maintain insurance coverage, but is not fully insured against all risks, nor are all such risks insurable.

In addition, oil and natural gas exploration is a high-risk venture with uncertain prospects for success and for which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration or development activities by Tidewater, if applicable, will result in discoveries of oil or natural gas that are commercially or economically possible. It is difficult to project the costs of implementing any exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as overpressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof. Even if commercial quantities of petroleum or natural gas are discovered, there is no assurance that production therefrom or development thereof will occur or be profitable. Natural resource prices

fluctuate widely and are affected by numerous factors such as inflation, interest rates, demand, transportation constraints, global or regional political and economic crisis and production costs in major producing regions. The aggregate effect of these factors, all of which are beyond Tidewater's control, is impossible to predict. No assurance can be given that commercial accumulations of oil and natural gas will be discovered as a result of the efforts of Tidewater and prospective investors must rely upon the ability, expertise, judgment, discretion, integrity, and good faith of the management of Tidewater in event the Corporation elects to engage in the exploration and development of any of its upstream assets.

Geopolitical Risk

Geopolitical risk and conflict globally may have a significant and unpredictable impact on the Corporation's business, financial condition and operations. The ongoing conflicts between Ukraine and Russia and Israel and Palestine, as well as the global response to these conflicts as it relates to sanctions, trade embargos and military support has resulted in significant uncertainty as well as economic and supply chain disruptions. Should these conflicts go on for an extended period of time, expand beyond their current geographical areas, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects to the Corporation.

Concentration of Assets in the Western Canadian Sedimentary Basin

The Corporation's assets are principally concentrated in Alberta and British Columbia in the WCSB, which leaves the Corporation exposed to the economic conditions of such provinces. The Corporation partially mitigates this risk through a diversity of business activities within the area.

Financial Risks

Market Price

The trading price of the Common Shares has been and may continue to be subject to significant fluctuations, which may be based on factors unrelated to the Corporation's financial performance or prospects. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares may also be significantly affected by changes in commodity prices, currency exchange fluctuation or in the Corporation's financial condition or results of operations. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the securities of the Corporation include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research capabilities do not follow the Corporation's securities; lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of securities of the Corporation; and investors' confidence in the energy sector, and the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities. If an active market for the securities of the Corporation does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline.

Debt Matters

The Corporation relies on debt financing for some of its business activities, including capital and operating expenditures. There are no assurances that the Corporation will be able to refinance any or all of its borrowings at their maturity. In addition, there are no assurances that the Corporation will be able to comply at all times with the covenants applicable under its current borrowings; nor are there assurances that the Corporation will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Corporation to secure refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Corporation's financial results, including its ability to maintain dividends to Shareholders. Further, any inability of the Corporation to obtain new financing may limit its ability to support future growth.

The Corporation believes that its existing credit facilities will be sufficient for its immediate requirements and has no reason to believe that it will not be able to renew its existing credit facilities or refinance on commercially reasonable terms. However, continued uncertainty in the global economic situation means the Corporation, along with other energy companies, may have restricted access to capital and increased borrowing costs. The Corporation's ability to

raise debt is dependent upon, among other factors, the overall state of the capital markets and investor appetite for investments in the energy industry generally and in the Corporation's securities in particular. The ability to make scheduled payments on or to refinance debt obligations depends on the financial condition and operating performance of the Corporation, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. As a result, the Corporation may be unable to maintain a level of cash flow from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness. These conditions could have an adverse effect on the industry in which the Corporation operates and its business, including future operating and financial results. There can be no assurance that the Corporation's cash flow from operating activities will be adequate for future financial obligations or that additional funds will be able to be obtained.

Pursuant to an intercreditor agreement between, among others, Tidewater, the lenders (or agent thereof) and the lenders under the Tidewater Renewables' Senior Credit Facility (or agent thereof), may treat Tidewater and Tidewater Renewables as affiliated and consolidated entities in considering their total exposure, risk rating and capital allocation, or for any other purpose, and may have regard to such considerations with respect to any extension, consent or waiver request or in taking any other discretionary action in respect of the Senior Credit Facilities. Notwithstanding the foregoing, the Senior Credit Facilities are not cross-collateralized, are not subject to cross defaults nor will Tidewater and Tidewater Renewables be consolidated for the purposes of covenant testing or availability.

Overall Level of Indebtedness

From time to time, the Corporation may have a significant amount of indebtedness and the Corporation's level of indebtedness could materially and adversely affect it in a number of ways. For example, it could:

- make it more difficult for the Corporation to conduct its operations;
- increase the Corporation's vulnerability to general adverse economic and industry conditions;
- require the Corporation to dedicate a portion of its cash flow from operating activities to service payments on its indebtedness, thereby reducing the availability of the Corporation's cash flow from operating activities to fund working capital, capital expenditures and other general corporate purposes;
- limit the Corporation's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Corporation at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Corporation's ability to borrow additional funds on commercially reasonable terms, if at all, to meet its operating expenses and for other purposes.

Debt Service

Tidewater will require sufficient cash flow in the future in order to service and repay its indebtedness. Tidewater's ability to generate sufficient cash flow to meet these obligations depends on Tidewater's financial condition which is, to a certain extent, subject to global economic, financial, competitive and other factors that may be beyond its control. If Tidewater is unable to obtain future borrowings or generate cash flow from operations in an amount sufficient to service and repay its indebtedness, Tidewater will need to refinance or be in default under the agreements governing its indebtedness and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets. Such refinancing or alternative measures may not be available on favourable terms or at all. Due to economic conditions, Tidewater may from time to time have restricted access to capital and increased borrowing costs. The inability to service, repay and/or refinance its indebtedness could have a material adverse effect on Tidewater's business, financial condition, results of operations and cash flows. Furthermore, amounts paid in respect of interest on long-term debt will reduce Tidewater's net income. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service.

Debt Agreements

Tidewater's Senior Credit Facility and Debentures limit, among other things, Tidewater's, and certain of its subsidiaries', ability to:

- incur or guarantee additional debt or other obligations, issue certain equity securities or enter into sale and leaseback transactions other than in limited circumstances;

- in certain circumstances, pay dividends on shares or repurchase shares, redeem subordinated debt or make other restricted payments;
- in certain circumstances, hold cash in excess of set amounts;
- issue equity securities of subsidiaries;
- grant certain guarantees or other forms of financial assistance;
- change the nature of their business or operations in any material respect;
- make certain investments or acquisitions over a certain limit;
- create liens on their assets;
- change their fiscal year;
- enter into transactions with affiliates;
- liquidate, dissolve or wind up;
- consolidate, merge or transfer all or substantially all of their assets; and
- transfer or sell assets, including shares of subsidiaries.

Tidewater's Senior Credit Facility also requires Tidewater to maintain specified financial ratios and satisfy specified financial tests. Tidewater's ability to meet these financial ratios and tests can be affected by events beyond Tidewater's control, and Tidewater may be unable to meet those tests. As a result of these covenants, Tidewater's ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and the Corporation may be prevented from engaging in transactions that might otherwise be considered beneficial to Tidewater. The breach of any of these covenants could result in an event of default under Tidewater's Senior Credit Facility or any future credit agreements.

A failure to comply with the obligations in Tidewater's Senior Credit Facility, including financial ratios and specified financial tests, could result in a default which, if not cured or waived, would permit acceleration of the repayment of the relevant indebtedness as the lenders could elect to declare all amounts outstanding under Tidewater's Senior Credit Facility to be immediately due and payable and terminate all commitments to extend further credit. Similarly, upon the occurrence of an event of default under the Debentures, the outstanding principal and accrued interest on the Debentures may become immediately due and payable. If the lenders were to accelerate the repayment of borrowings, Tidewater may not have sufficient cash to repay balances owing on Tidewater's Senior Credit Facility as well as its unsecured indebtedness, including the Debentures, as the acceleration of Tidewater's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default or cross-acceleration provisions. If Tidewater's indebtedness is accelerated and Tidewater is not able to repay its indebtedness or borrow sufficient funds to refinance it, the lenders under Tidewater's Senior Credit Facility could proceed to realize upon the collateral granted to them to secure that indebtedness which could have a material adverse effect on Tidewater's business and financial results. Even if Tidewater is able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to Tidewater or may impose financial restrictions and other covenants on it that may be more restrictive than under Tidewater's Senior Credit Facility or Debentures. Additionally, if amounts outstanding under Tidewater's Senior Credit Facility were to be accelerated, or if Tidewater were not able to borrow under Tidewater's Senior Credit Facility, it could become insolvent or be forced into bankruptcy or insolvency proceedings or receivership. Notwithstanding an event of default, there is also no assurance that Tidewater will be able to refinance any or all of Tidewater's Senior Credit Facility and Debentures at their maturity dates on acceptable terms, or on any basis.

Ability to Obtain Sufficient Funding

The Corporation's ongoing activities may not generate sufficient cash flow from operating activities of the Business. The Corporation may require additional external financing and the amount of such financing may be significant. While there are various financing options available to the Corporation, including the sale of new equity, debt or joint ventures, sale of working interests or other alternatives, the Corporation's ability to arrange such financing in the future may depend in part upon the prevailing capital market conditions, as well as the Corporation's business performance. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation or at all. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit interests in certain properties, miss certain acquisition opportunities and reduce or terminate operations. This may have an adverse effect on its financial position. In addition, if the Corporation obtains additional financing by the issuance of shares from treasury, control of the Corporation may change and existing Shareholders may suffer additional dilution.

From time to time the Corporation may enter into transactions to acquire assets. Such transactions may be financed partially or wholly with debt, which may temporarily increase the Corporation's debt levels above industry standards.

Counterparty Credit Risk

The Corporation takes on credit risk with respect to its fee-for-service business, the purchase and sale of commodities in its marketing business, as well as other financial contracts into which it enters. In particular, the Corporation is exposed to credit-related losses in the event that counterparties to contracts become insolvent or otherwise fail to fulfill their present or future financial obligations to the Corporation. The majority of the Corporation's accounts receivable are due from entities in the oil and gas business and are subject to normal industry credit risks. With respect to counterparties for financial instruments used for economic hedging purposes, the Corporation attempts to limit its credit risk by dealing with recognized futures exchanges, or investment grade financial institutions, or by adherence to credit policies that significantly reduce overall counterparty credit risk. Management believes these measures reduce the Corporation's overall credit risk; however, there can be no assurance that these processes will protect against all losses from non-performance.

The credit worthiness assessment of a counterparty considers the available qualitative and quantitative information about the counterparty including financial status and external credit ratings. Depending on the outcome of each assessment, the Corporation, in accordance with its credit policy, may: (i) set and adjust limits on exposure to its counterparties, (ii) request collateral/security (i.e. letters of credit, guarantees or other credit enhancements), where appropriate; (iii) require customers to prepay for products or services; and (iv) use contractual arrangements that permit the netting of exposures associated with a single counterparty as well as other remedies. While the Corporation takes active steps to monitor and manage its credit risk, it is possible that credit exposure to counterparties (or any one of them), may result in the Corporation suffering losses, in which case its operations and financial results may be adversely affected.

Credit Ratings

Rating agencies regularly evaluate the Corporation and base their ratings on a number of factors. These factors include the Corporation's financial strength as well as factors not entirely within the Corporation's control, including conditions affecting the industry in which Tidewater operates in and the wider state of the economy. Tidewater's credit outlook was changed from "stable" to "developing" in 2023 and there can be no assurance that Tidewater's credit rating will not be downgraded. The Corporation's ability to access high yield debt in the capital markets depends, in part, on the credit rating. A credit rating downgrade could limit the Corporation's access to private and public credit markets in the future and increase the costs of borrowing.

Future Sales or Issuances of Securities

The Corporation may sell Common Shares or other securities in subsequent offerings. The Corporation may also issue additional securities to finance future activities.

Further, the Corporation may issue Common Shares upon conversion, redemption or maturity of the Debentures. Additionally, the Corporation may issue Common Shares in connection with the payment of interest on the Debentures.

The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial number of Common Shares, or the perception that such sales could occur, may adversely affect the prevailing market price of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share.

Market Risk and Marketing Activities

The Corporation enters into contracts to purchase and sell refined products, crude oil feedstock, natural gas, NGLs and crude oil. Many of these contracts are priced at floating market prices. These activities expose the Corporation to market risks resulting from movements in commodity prices between the time volumes are purchased and the time they are sold, from fluctuations in the margins between purchase prices and sales prices, balancing product purchases

and sales contracts, and, in some cases, may also expose the Corporation to currency exchange risk. Two significant elements of these contracts include:

- (a) *Product Price* – The prices of the products that are marketed by the Corporation are subject to fluctuations resulting from seasonal demand changes, changes in natural gas, NGL and crude oil markets, and other factors. These exposures could result in variability in the operating income generated by the marketing business unit and the Corporation’s distributable cash flow.
- (b) *Volume* – The Corporation purchases from producers and other customers a substantial volume of NGLs for resale to third parties, including other marketers and end-users. In many circumstances, particularly in the marketing business, purchase and sale contracts are not perfectly matched as they are entered into at different times, locations and values. A producer or supplier could fail to deliver contracted volumes or could deliver in excess of contracted volumes, or a purchaser could purchase less than contracted volumes. Any of these actions could cause the Corporation’s purchases and sales to be unbalanced. While the Corporation attempts to balance its purchases and sales, if its purchases and sales are unbalanced, the Corporation will face increased exposure to commodity price risks and could have increased volatility in its net income and cash flow from operating activities.

Litigation Risk

The Corporation is, in the course of its business, subject to lawsuits and other claims. In recent years, there has been an increase in climate and disclosure-related litigation against governments as well as companies involved in the energy industry and there is no assurance the Corporation will not be impacted by such litigation, or by other legal proceedings. Defence and settlement costs associated with such lawsuits and claims can be substantial, even with respect to lawsuits and claims that have no merit. The Corporation has insurance which may mitigate the impact of a claim upon the financial condition of Tidewater however there is no assurance that the insurance proceeds will be sufficient to cover the costs of the claim or will be available to the Corporation. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have an adverse effect on the Corporation’s Business, reputation, operating results or financial performance.

Operating, Capital and General and Administrative Costs

Operating and capital costs associated with the Corporation’s facilities represent significant components of the cost of providing services. These costs may vary considerably from current and forecast values and rates. In general, as facilities age, costs associated with operating and maintaining such facilities may increase over time. In addition, fluctuations in the prices of electricity and fuel can cause significant fluctuations in operating costs.

Maintenance capital requirements and maintenance expenses may vary from year to year depending on such factors as the scheduling of maintenance turnarounds, operating conditions and gas composition. The costs of the Corporation’s inspection, monitoring and maintenance programs have been expensed in the period they are incurred. Maintenance turnarounds, and repairs or replacements with enduring value are capitalized rather than expensed in accordance with the Corporation’s capitalization policies and applicable accounting standards. Growth capital expenditures vary depending upon available opportunities and financing.

General and administrative costs may vary considerably from current and forecast values as a result of fluctuations in employment markets and the demand for trades which affect compensation that must be paid to attract and retain employees and contractors.

Financial results may be adversely affected if significant increases in operating, capital or general and administrative costs are incurred and not recovered. Although operating costs are usually recovered through the tariffs charged on processing and transportation, some processing arrangements do not permit the flow-through of operating costs. Even at facilities where flow-through arrangements are in place, to the extent the costs charged to producers escalate, they may seek lower cost alternatives or shut-in production of their natural gas.

Adequacy of Insurance

The Corporation currently maintains customary insurance of the types and amounts consistent with prudent industry practice. The Corporation may also purchase additional insurance coverage to cover potential losses during the

construction of new infrastructure. In addition, the Corporation maintains director and officer liability coverage consistent with industry practice. The Corporation is not obligated to maintain insurance if it is not available to the Corporation on commercially reasonable terms. Further, there can be no assurance that such insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates. The insurance coverage obtained with respect to the Corporation's business and facilities will be subject to limits and exclusions or limitations on coverage that are considered to be reasonable, given the cost of procuring insurance and current operating conditions. There can be no assurance that the insurance proceeds received by the Corporation in respect of a claim will be sufficient in any particular situation to satisfy the indebtedness of the Corporation or fully protect against catastrophic events or prolonged shutdowns. Losses beyond the scope of the Corporation's insurance coverage could have a material adverse effect on its business, operations and financial performance.

Environmental Compliance and Remediation Costs

The Corporation allocates funding for its environmental programs each year. However, there is the risk that unforeseen matters may arise requiring the Corporation to set aside additional funds. Compliance obligations under applicable environmental laws can result in significant costs associated with installing and maintaining pollution controls, fines and penalties resulting from any failure to comply, and potential limitations on operations. Remediation obligations can also result in significant costs associated with the investigation and remediation of contaminated properties. Compliance with environmental legislation and incident response can require significant expenditures. Activities that do not meet regulatory standards or that breach such legislation may result in the imposition of fines, penalties and suspension of operations. It is also possible that increasingly strict environmental and safety requirements could be implemented, which could result in substantial increases in the cost of compliance, including increased capital expenditures and operating expenses. There is also the risk of civil liability for environmental matters.

The Corporation also undertakes remediation projects that are identified through its liability management system as part of its ongoing efforts to manage its environmental risk. However, it is not possible for the Corporation to estimate the amount and timing of all future expenditures related to environmental matters due to various factors, including: (i) uncertainties in estimating pollution control and clean-up costs, including at sites where only preliminary site investigation or agreements have been completed; (ii) the potential discovery of new sites or additional information at existing sites; (iii) the uncertainty in quantifying liability under environmental laws that impose joint and several liability on all potentially responsible parties; (iv) the evolving nature of environmental laws and regulations, including the interpretation and enforcement thereof; and (v) the potential for litigation on existing or discontinued assets. Based on current operations and practices, the cost of complying with environmental regulations and the Corporation's exposure to civil liability for environmental matters have not had and are not expected to have a material adverse effect on its financial results; however, no assurance can be given that such costs will not adversely affect financial results in the future.

Interest Rates

The Corporation takes on interest rate risk in association with its debt financing. Interest rates are influenced by Canadian and global economic conditions beyond the Corporation's control. Floating rate debt obligations expose the Corporation to changes in interest payments, which could have an adverse effect on the Corporation's financial results, as variations in interest rates could result in changes in the amount required to service debt.

Currency Risk

Currency risk arises on financial instruments that are denominated in a foreign currency. The Corporation's functional currency is the Canadian dollar. However, the Corporation may be exposed to foreign currency fluctuations with respect to capital projects, as some equipment and services may be sourced or priced in U.S. dollars. The Corporation's foreign currency risk largely arises from purchasing, handling and sale of natural gas, NGLs and crude oil where sales and purchases are sometimes denominated in or based on U.S. dollars. The Corporation has adopted a risk management policy in relation to its marketing activities, including the exposure to foreign exchange risk associated with these activities.

Changes in Tax Legislation

Tax laws may be amended (or its interpretation may change), retroactively or prospectively, resulting in tax consequences that materially differ from those contemplated by the Corporation across the jurisdictions in which the Corporation has operations or sales which may create a risk of non-compliance and re-assessment. While the Corporation believes that its tax filing positions are appropriate and supportable, it is possible that tax authorities may: (a) amend tax legislation (or its interpretation may change), or (b) successfully challenge the Corporation's interpretation of tax legislation which may affect the Corporation's estimate of current and future income taxes affecting the financial condition, prospects, and distributable cash flow available to pay dividends to the Corporation's Shareholders.

To help mitigate this risk, the Corporation retains knowledgeable, competent employees and consultants who are responsible for preparation of tax compliance filings, Canada Revenue Agency audits, quarterly provisions and tax forecasts to aid in predicting timing and the amount of cash taxability. In addition, the Corporation engages external tax counsel and accountants who assist with the review of its tax filings and tax provisions to help the Corporation to comply with applicable legislation.

Dividend Risk

The Corporation does not currently pay dividends. The payment of future dividends is not guaranteed and is subject to the performance of the Corporation and its subsidiaries. The Board has the discretion to determine if a dividend will be declared and paid to Shareholders and the amount of such dividend. In determining whether to pay dividends, the Board will take into consideration numerous factors, including current and expected future levels of earnings; cash flow from operating activities; income taxes; maintenance capital expenditures; growth capital expenditures; debt repayments; working capital requirements; current and potential future environmental liabilities; the impact of interest rates and/or foreign exchange rates; crude oil, natural gas, NGL and crude oil prices; and other factors. The Corporation's short and long term borrowings prohibit the Corporation from paying dividends at any time at which a default or event of default would exist under such debt, or if a default or event of default would exist as a result of paying the dividend (See "*Risk Factors – Financial Risks – Debt Matters*").

If external sources of capital, including borrowings and the issuance of additional Common Shares, become limited or unavailable on commercially reasonable terms, the Corporation's ability to make the necessary capital investments to maintain or expand its business may be impaired. The extent to which the Corporation is required to use cash flow from operating activities to finance capital expenditures or acquisitions may reduce the distributable cash flow available to declare and pay dividends to Shareholders. Dividends may be increased, reduced, suspended or eliminated entirely depending on the Corporation's operations and the performance of its assets and businesses.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings that the Corporation is or was a party to, or that any of the Corporation's property is or was the subject of, since January 1, 2023, that were or are material to the Corporation, and there are no such material legal proceedings that the Corporation knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be "material" by the Corporation if it involves a claim for damages and the amount involved, exclusive of interest and costs, does not exceed 10% of the Corporation's current assets, provided that if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Corporation has included the amount involved in the other proceedings in computing the percentage. See "*Risk Factors*".

No penalties or sanctions material to Tidewater have been imposed by a court or regulatory body, nor has Tidewater entered into a settlement agreement in relation to any securities legislation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere in this AIF, to the knowledge of Tidewater, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Corporation; (ii) any person or corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares; or (iii) an associate or affiliate (each, as defined in the *Securities Act* (Alberta)) of any persons or companies referred to above in (i) or (ii),

in any transaction within the three years before the date of this AIF that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office in Calgary, Alberta located at 10th floor, 300 – 5th Avenue SW, T2P 3C4.

MATERIAL CONTRACTS

Other than as set out below, there are no material contracts entered into by Tidewater within the most recently completed financial year, or before the most recently completed financial year but which are still in effect, other than contracts entered into in the ordinary course of business:

1. the purchase and sale agreement for Tidewater to acquire the PGR from Husky Energy Inc. (now Cenovus) (see “*General Development of the Business – Three Year History*”);
2. the Registration Rights Agreement dated May 20, 2020 among Tidewater and the Birch Hill Investor Group, providing, amongst other things, the Birch Hill Investor Group with certain demand and piggy-back registration rights for the resale of Common Shares held by the Birch Hill Investor Group, including that such rights shall commence from and after March 1, 2021. The Birch Hill Investor Group currently has certain demand rights as a result of the filing of a base shelf on October 6, 2022. (see “*General Development of the Business – Three Year History*”);
3. the Kicking Horse Board Nomination Agreement dated August 16, 2022 among Tidewater and the Kicking Horse Investor Group, providing, amongst other things, the Kicking Horse Investor Group with the right to nominate a director to the Board so long as the Kicking Horse Investor Group holds at least 2% of the issued and outstanding Common Shares and the right to maintain a 3.6% percentage ownership interest in Tidewater (see “*General Development of the Business – Three Year History*”);
4. the Birch Hill Pre-emptive Rights Agreement dated August 16, 2022 among Tidewater and the Birch Hill Investor Group, providing, amongst other things, the Birch Hill Investor Group with the right to maintain a 23% ownership interest in Tidewater (see “*General Development of the Business – Three Year History*”);
5. the Warrant Indenture dated August 16, 2022 among Tidewater and TSX Trust Company as warrant agent providing for the issuance of the 2022 Offering Warrants and the warrants issued in connection with the Concurrent Private Placement (see “*General Development of the Business – Three Year History*”); and
6. the Third Amended and Restated Credit Agreement dated August 16, 2022 among Tidewater and the syndicate of lenders, providing for, amongst other things, an increase in the total aggregate availability under the facility to \$550 million (see “*General Development of the Business – Three Year History*”).
7. the First Amending Agreement dated February 15, 2023, to the Third Amended and Restated Credit Agreement, to extend the maturity date to February 10, 2026 and waive the requirement to maintain minimum availability under the Senior Credit Facility of not less than \$50 million for the period April 1, 2023, to March 31, 2024.
8. the Purchase and Sale Agreement dated August 31, 2023 among the Corporation, 2205894 Alberta Ltd. and AltaGas providing for the sale of the Pipestone Assets by the Corporation to AltaGas;
9. the Second Amending Agreement dated June 21, 2023, to the Third Amended and Restated Credit Agreement, to amend and waive the Consolidated First Lien Senior Debt to Consolidated Adjusted EBITDA Ratio.
10. the Third Amending Agreement dated September 29, 2023, to the Third Amended and Restated Credit Agreement extending the period to repay in full and certain obligations.

11. the Fourth Amending Agreement dated October 17, 2023, to the Third Amended and Restated Credit Agreement, to amongst other things, an increase in the total aggregate availability under the facility to \$600 million.
12. the Fourth Amended and Restated Credit Agreement dated December 22, 2023 among Tidewater and the syndicate of lenders, providing for, amongst other things, a reduction in the total aggregate availability under the facility to \$375 million (see “*General Development of the Business – Three Year History*”).

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Corporation during, or related to, the Corporation’s most recently completed financial year other than Deloitte LLP.

Deloitte LLP is the Corporation’s independent auditors. Deloitte LLP has advised they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of Tidewater’s securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in Tidewater’s information circular for the next annual meeting of shareholders that involves the election of directors and additional information as provided in Tidewater’s Annual Financial Statements for its most recently completed financial year. Tidewater will provide this information to any person, upon request made to the Chief Financial Officer of Tidewater at Suite 900, 222 – 3rd Avenue S.W., Calgary, Alberta, T2P 0B4. The documents will also be located on SEDAR+ at www.sedarplus.com.

Additional financial information is provided in the Corporation’s Annual Financial Statements and MD&A for the year ended December 31, 2023, which are also available on SEDAR+.

SCHEDULE A

AUDIT COMMITTEE CHARTER

Role and Objective

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Tidewater Midstream and Infrastructure Ltd. (the “**Corporation**”) to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management’s reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board of Director approval, the audited financial reports and other mandatory disclosure releases containing financial information. The objectives of the Committee, with respect to the Corporation and its subsidiaries, are as follows:

- (a) To assist directors to meet their responsibilities in respect of the preparation and disclosure of the financial reports of the Corporation and related matters;
- (b) Provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board;
- (c) To ensure the external auditors’ independence and review and appraise their performance;
- (d) To increase the credibility and objectivity of financial reports; and
- (e) To strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

Composition

The Committee shall be composed of at least three individuals appointed by the Board from amongst its members, all of which members will be independent within the meaning of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) unless the Board determines to rely on an exemption in NI 52-110. “Independent” generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.

All of the members must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being “financially literate” means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Unless otherwise appointed by the Committee Chair, the Secretary to the Board shall act as Secretary of the Committee.

A quorum shall be a majority of the members of the Committee.

Meetings

The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.

The Chief Executive Officer and the Chief Financial Officer or their designates shall be available to attend at all meetings of the Committee upon the invitation of the Committee.

The Controller, Treasurer and/or such other staff as appropriate to provide information to the Committee shall attend meetings upon invitation by the Committee.

Mandate and Responsibilities

To fulfill its responsibilities and duties, the Committee shall:

- (a) undertake annually a review of this mandate and make recommendations to the Governance, Compensation, Safety and Sustainability Committee as to proposed changes;
- (b) satisfy itself on behalf of the Board with respect to the Corporation's internal control systems, including, where applicable, relating to derivative instruments:
 - (i) identifying, monitoring and mitigating business risks; and
 - (ii) ensuring compliance with legal and regulatory requirements;
- (c) review the Corporation's financial reports, management discussion and analysis (MD&A), any annual earnings, interim earnings and press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial reports), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors; the process should include but not be limited to:
 - (i) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial reports;
 - (ii) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - (iii) reviewing accounting treatment of unusual or non-recurring transactions;
 - (iv) ascertaining compliance with covenants under loan agreements;
 - (v) reviewing financial reporting relating to asset retirement obligations;
 - (vi) reviewing disclosure requirements for commitments and contingencies;
 - (vii) reviewing adjustments raised by the external auditors, whether or not included in the financial reports;
 - (viii) reviewing unresolved differences between management and the external auditors;
 - (ix) obtain explanations of significant variances with comparative reporting periods; and
 - (x) determine through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed;
- (d) review the financial reports and related information included in prospectuses, management discussion and analysis (MD&A), information circular-proxy statements and annual information forms (AIF), prior to Board approval;

- (e) with respect to the appointment of external auditors by the Board:
 - (i) require the external auditors to report directly to the Committee;
 - (ii) review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
 - (iii) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation;
 - (iv) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (v) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (vi) review management's recommendation for the appointment of external auditors and recommend to the Board appointment of external auditors and the compensation of the external auditors;
 - (vii) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;
 - (viii) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
 - (ix) take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors; and
 - (x) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial reports;
- (f) review all public disclosure containing audited or unaudited financial information before release;
- (g) review financial reporting relating to risk exposure;
- (h) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information from the Corporation's financial reports and periodically assess the adequacy of those procedures;
- (i) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- (j) review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial reports of the Corporation and its subsidiaries;
- (k) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors and consider the impact on the independence of the auditors; The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more

than 5% of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;

- (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
- (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee;

provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee;

- (l) review any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it;

(m) with respect to the financial reporting process:

- (i) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- (ii) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (iii) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- (iv) review significant judgments made by management in the preparation of the financial reports and the view of the external auditors as to appropriateness of such judgments;
- (v) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (vi) review any significant disagreement among management and the external auditors regarding financial reporting;
- (vii) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (viii) review the certification process;
- (ix) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (x) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Authority

Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).

Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

The Committee shall have the authority to investigate any financial activity of the Corporation and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.

The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Corporation.