Management's Discussion and Analysis

For the year ended December 31, 2023

March 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the annual audited consolidated financial and operating results of Tidewater Midstream and Infrastructure Ltd. and its subsidiaries ("Tidewater" or the "Corporation" when referring to the consolidated group, and "Tidewater Midstream" when referring to the legal entity) is dated March 13, 2024, and should be read in conjunction with Tidewater's audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022 (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), representing generally accepted accounting principles ("GAAP"). This MD&A contains non-GAAP measures which are used to measure and analyze financial performance, financial position, and cash flow and therefore may not be comparable to similar measures presented by other entities. This MD&A also contains forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Tidewater's disclosure under "Non-GAAP Measures" and "Forward-Looking Information" included at the end of this MD&A. Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

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

BUSINESS OVERVIEW

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

The Corporation's midstream assets include facilities and infrastructure supporting some of Canada's most profitable and active resource developments in the Deep Basin and Central Alberta regions. Tidewater's natural gas processing plants gather and process raw natural gas before it is injected into long-distance pipeline systems for transportation to end-use markets. Tidewater's fractionation and straddle plants process, store and transport the by-products of natural gas processing, including NGLs such as ethane, propane, butane and condensate. Tidewater engages in liquids blending and operates facilities at Brazeau, Acheson, Pipestone(1) and Valhalla, allowing the Corporation to transport, process and blend various butane and condensate streams. Margins are earned by blending products of lower value into higher-value products. As a result of these transactions, Tidewater takes advantage of the price and quality differentials between various product streams. Tidewater is well-positioned to facilitate producer growth through egress options and improved netbacks.

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

(1) On December 22, 2023, the Corporation divested the Pipestone facilities to AltaGas. Readers should refer to the **OUTLOOK AND CORPORATE UPDATE** section of the MD&A for further details.

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

The most significant exposure faced by the Corporation is related to declines in production volumes and volatility in commodity prices. However, Tidewater's gas processing facilities are located in prolific natural gas supply areas, with high barriers to entry to new participants. Additionally, with the Corporation's minimum volume commitment contract at the PGR, the net cash provided by operating activities is anticipated to remain stable and be sufficient to support operations, fund maintenance capital expenditures and generate distributable cash flow. The financial performance of Tidewater's refining operations is impacted by the difference between refined product prices and the prices of feedstock ("crack spread"). Refining margins are also subject to seasonal factors as production changes to match seasonal demand.

Overall, the integration of Tidewater's infrastructure allows it to benefit from differentials in commodity prices through its processing facilities, fractionation, extraction, storage, and transportation assets.

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

Tidewater is the majority shareholder in Tidewater Renewables Ltd. ("Tidewater Renewables"), a multi-faceted, energy transition company focusing on the production of low carbon fuels, including renewable diesel . Tidewater Renewables' common shares are publicly traded on the TSX under the symbol "LCFS". Tidewater owns 69% of the issued and outstanding common shares of Tidewater Renewables. The majority ownership position gives the Corporation control over Tidewater Renewables, and it is therefore consolidated in the Tidewater financial statements, with the 31% divested interest reflected as a non-controlling interest. Transactions between Tidewater and Tidewater Renewables are eliminated on consolidation in the Corporation's financial statements.

As at December 31, 2023, Tidewater owns 23.9 million common shares of Tidewater Renewables.

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

HIGHLIGHTS

- On December 22, 2023, Tidewater completed the sale of its Pipestone Natural Gas Plant, Pipestone expansion project, Dimsdale Gas natural gas storage assets, and associated gathering and other infrastructure to AltaGas Ltd. ("AltaGas") for $665 million (the "Transaction") before closing adjustments. As consideration for the Transaction, Tidewater received $328.3 million in cash and 12,466,437 AltaGas common shares. The cash proceeds from the Transaction were used to reduce credit facility debt of approximately $275 million and working capital of $53.3 million.
- On January 9, 2024, Tidewater monetized the AltaGas shares for net proceeds of $341.6 million. The share proceeds were used to further reduce credit facility debt by $293 million and working capital of $48.6 million.
- In 2023, Tidewater Renewables completed a feasibility assessment for an expansion of its renewable fuel facilities. In the first quarter of 2024 Tidewater and Tidewater Renewables entered into a joint development agreement related to a new 6,500 bbl/day renewable diesel and sustainable aviation fuel ("SAF") project in British Columbia, whereby both parties have the right to participate in up to 50% of the project upon a final investment decision. Front-end engineering design work on the SAF facility has begun, with the cost to be covered through government support in the form of capital emissions credits.
- In the fourth quarter of 2023, Tidewater Renewables achieved a transformational milestone with the HDRD Complex commencing commercial operations in November 2023. Commercial operations progressed during the first quarter of 2024 and the facility has been operating at its design capacity since late February 2024. Tidewater expects the HDRD Complex to achieve a utilization rate of approximately 65% utilization rate in the first quarter of 2024 and to continue to operate reliably at design capacity going forward.
- Tidewater Renewables has secured purchasers for the HDRD Complex's operating emission credit production through the second quarter of 2024.
- Consolidated net loss attributable to shareholders was $331.8 million during the fourth quarter of 2023, compared to a net loss attributable to shareholders of $30.0 million during the 2022 comparative period. Full year consolidated net loss attributable to shareholders was $385.9 million compared to net income attributable to shareholders of $8.5 million during the full year in 2022. The higher losses reported in 2023 are primarily a result of higher unrealized losses on derivative contracts, non-cash impairment charges taken during the fourth quarter of 2023, and the second quarter 2023 turnaround at the PGR impacting full year results.
- Fourth quarter consolidated adjusted EBITDA[1] was $21.4 million compared to $60.4 million during the fourth quarter of 2022. Full year 2023 consolidated adjusted EBITDA[1] was $162.9 million, compared to $249.8 million during 2022. The quarter over quarter decrease was primarily due to lower refining margins and reduced diesel demand related to warmer weather in the fourth quarter of 2023, realized losses on derivative contracts, as well as a maintenance outage at Pipestone during the quarter, with the full year 2023 results also impacted by the PGR turnaround during the second quarter of the year.
- Subsequent to the Transaction close, the Corporation recognized a non-cash impairment charge of approximately $418 million on its midstream assets.

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

CONSOLIDATED AND DECONSOLIDATED FINANCIAL HIGHLIGHTS

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

	Three months ended December 31			
	Tidewater Deconsolidated [2]		**Tidewater Consolidated**	
(in millions of Canadian dollars except per share information)	**2023**	2022	**2023**	2022
Net loss attributable to shareholders	**$ (329.4)**	$ (42.0)	**$ (331.8)**	$ (30.0)
Net loss attributable to shareholders per share - basic	**$ (0.77)**	$ (0.10)	**$ (0.78)**	$ (0.07)
Adjusted EBITDA [1]	**$ 10.7**	$ 43.7	**$ 21.4**	$ 60.4
Distributable cash flow attributable to shareholders [1]	**$ (37.4)**	$ 6.6	**$ (36.0)**	$ 13.1
Distributable cash flow per share – basic [1]	**$ (0.09)**	$ 0.02	**$ (0.08)**	$ 0.03
Net debt [3]	**$ 397.3**	$ 539.6	**$ 744.0**	$ 750.8
Total capital expenditures	**$ 19.4**	$ 33.6	**$ 51.2**	$ 110.5

(1) Non-GAAP financial measures. See the "Non-GAAP Measures" section of this MD&A.
(2) Deconsolidated results exclude the results of Tidewater Renewables. See the "Non-GAAP Measures" section of this MD&A for information on deconsolidated measures.
(3) Capital management measure. See the "Non-GAAP Measures" section of this MD&A.

	Year ended December 31			
	Tidewater Deconsolidated [2]		**Tidewater Consolidated**	
(in millions of Canadian dollars except per share information)	**2023**	2022	**2023**	2022
Net (loss) income attributable to shareholders	**$ (371.3)**	$ (18.7)	**$ (385.9)**	$ 8.5
Net (loss) income attributable to shareholders per share - basic	**$ (0.87)**	$ (0.05)	**$ (0.91)**	$ 0.02
Adjusted EBITDA [1]	**$ 117.0**	$ 187.4	**$ 162.9**	$ 249.8
Distributable cash flow attributable to shareholders [1]	**$ (66.1)**	$ 49.3	**$ (64.3)**	$ 75.5
Distributable cash flow per share – basic [1]	**$ (0.16)**	$ 0.13	**$ (0.15)**	$ 0.20
Net debt [3]	**$ 397.3**	$ 539.6	**$ 744.0**	$ 750.8
Total capital expenditures	**$ 87.1**	$ 104.7	**$ 292.6**	$ 349.3

(1) Non-GAAP financial measures. See the "Non-GAAP Measures" section of this MD&A.
(2) Deconsolidated results exclude the results of Tidewater Renewables. See the "Non-GAAP Measures" section of this MD&A for information on deconsolidated measures.
(3) Capital management measure. See the "Non-GAAP Measures" section of this MD&A.

OUTLOOK AND CORPORATE UPDATE

During the fourth quarter of 2023 Tidewater completed the Transaction with AltaGas and Tidewater Renewables commenced commercial operations at the HDRD Complex. These two initiatives represent transformational milestones for the Corporation. The HDRD Complex is expected to contribute to consolidated run rate EBITDA and cash flow, while the sale of the Pipestone facilities significantly deleveraged the Corporation.

In 2024, Tidewater's priorities are focused on generating positive operating cash flow and deleveraging. Management is reviewing the operating structure for cost synergies within the existing asset base. In addition, the scale and scope of planned maintenance spending in 2024 is also under review, to ensure that maintenance projects appropriately prioritize safety and asset integrity, while maximizing the return on assets.

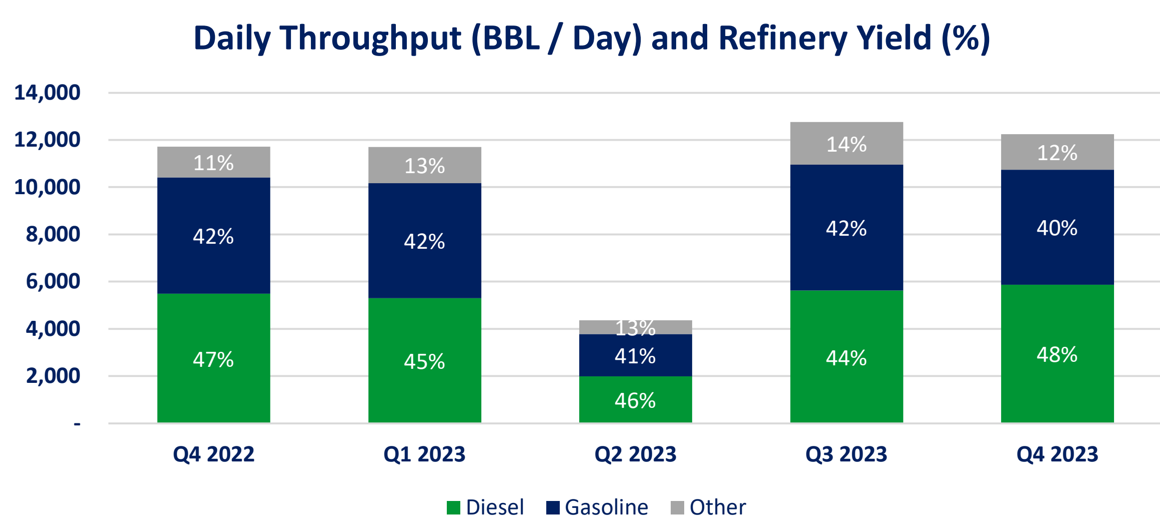
To date, opportunities to reduce approximately $5.0 million of general and administrative expenses on a run-rate basis have been identified. In addition, at the BRC, Tidewater has optimized the scope of the 2024 turnaround and identified potential savings of approximately $5.0 million and an additional $6.0 million of potential operating cost savings on a run-rate basis. Through the remainder of 2024, Tidewater will continue to review and optimize capital and operating expenditures, while ensuring safe and reliable operations.

Prince George Refinery

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

During the fourth quarter of 2023, the PGR had strong operational performance with throughput of 12,242 bbl/day, relatively consistent with the third quarter of 2023, and 4% higher than the fourth quarter of 2022. The PGR turnaround is currently on a four-year cycle, with the next scheduled outage in the second quarter of 2027.

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



Tidewater's refining margins are largely driven by commodity prices, particularly the cost of crude feedstock and other raw materials, along with market prices for refined products. The Prince George crack spread averaged $87/bbl during the fourth quarter, consistent with the third quarter of 2023. Gasoline and diesel sales volume in the fourth quarter of 2023 was lower compared to both the third quarter of 2023 and the fourth quarter of 2022 due to the timing of sales under the offtake agreement. For the year ended 2023, the Prince George crack spread averaged $88/bbl, compared to $93/bbl for the full year 2022. Gasoline and diesel sales volume for the full year was 14% lower than in the same period of 2022 primarily due to lower incremental sales as a result of the scheduled PGR turnaround during the second quarter of 2023.

Pipestone Natural Gas Plant

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

On December 22, 2023, Tidewater completed the sale of the Pipestone Natural Gas Plant, the Pipestone expansion project (collectively "Pipestone"), the Pipestone Partnership which owns the Dimsdale natural gas storage facility, and associated gathering and other infrastructure, to AltaGas for gross proceeds of approximately $665.0 million, before closing adjustments.

The net proceeds received on the close of the Transaction consisted of $328.3 million in cash and 12,466,437 AltaGas common shares which had a fair value of $330.7 million on December 22, 2023. Proceeds from the Transaction were used to reduce borrowings on the Corporations credit facilities and for general working capital requirements. Readers should refer to note 5 *Sale of the Pipestone Gas Plant and Dimsdale Gas Storage Assets* of the December 31, 2023 Financial Statements for further details on the Transaction.

The following table summarizes the gain recorded in net income related to the Transaction:

Gross proceeds before closing adjustments	$	665.0
Closing adjustments [1]		(6.0)
Net proceeds received		659.0
Net assets sold		(547.4)
Gain on sale of the Pipestone assets	**$**	**111.6**

(1) The proceeds from the Transaction are subject to customary closing adjustments which are expected to be finalized in the first half of 2024.

During the fourth quarter of 2023, prior to its sale on December 22, 2023, the Pipestone Natural Gas Plant processed volumes of 90 MMcf/day, consistent with the fourth quarter of 2022, and a 5% decrease from the third quarter of 2023. Facility availability for the fourth quarter of 2023 averaged 79%, a 9% decrease from the fourth quarter of 2022, and a 6% decrease from the third quarter of 2023. The decrease in facility availability and processed volumes from the fourth quarter of 2022 and the third quarter of 2023 was primarily due to a maintenance outage in November for approximately 9 days.

Brazeau River Complex and Fractionation Facility

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

The BRC gas processing facility had throughput of 134 MMcf/day in the fourth quarter of 2023, compared to 160 MMcf/day in the fourth quarter of 2022. The Brazeau River fractionation facility utilization averaged 87% in the fourth quarter of 2023, compared to 72% utilization in the fourth quarter of 2022. Throughput and utilization at the BRC gas processing facility during the fourth quarter of 2023 was lower than the third quarter of 2023 due to reduced straddle volumes going through the facility.

Tidewater Renewables

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

Tidewater Renewables' primary focus is the maintenance of a high and consistent utilization rate at the HDRD Complex. The Corporation expects the HDRD Complex to achieve an average 2024 throughput of 2,400 – 2,600 bbl/d, inclusive of an expected average throughput of 1,800 – 2,000 bbl/d in the first quarter of 2024. During 2024, Tidewater Renewables also expects to optimize the HDRD Complex's operating costs, extend or replace its senior credit facility and progress engineering design on its announced SAF project.

Tidewater Renewables continues to see strong industry fundamentals in North America, including strong demand for renewable fuels and emissions credits. This demand is supported by escalating compliance requirements and voluntary environmental commitments. Tidewater Renewables continues to work with various counterparties to satisfy their fuel compliance requirements, achieve their ESG commitments and meet their energy needs.

CAPITAL PROGRAM

Tidewater's 2023 growth initiatives were primarily focused on the construction and commissioning of Tidewater Renewables' HDRD Complex located at the PGR. Investments during the second quarter scheduled turnaround at the PGR led to increased unifiner capacity and upgraded catalysts that contributed to record throughput volumes during the second half of 2023.

Tidewater's 2024 maintenance capital program is weighted to the first half of 2024, with an expected turnaround at the BRC in the second quarter of 2024. Full year 2024 deconsolidated maintenance capital is expected to be in the range of $25 million to $30 million.

RESULTS OF OPERATIONS

Financial overview

(in millions of Canadian dollars except per share and percentage information)	**Three months ended December 31,**				**Year ended December 31,**			
		2023		2022		**2023**		2022
Revenue	**$**	**503.0**	$	711.1	**$**	**2,208.3**	$	2,875.2
Operating expenses	**$**	**475.2**	$	653.6	**$**	**2,051.9**	$	2,643.8
General and administrative	**$**	**19.2**	$	9.1	**$**	**51.3**	$	36.9
Share-based compensation	**$**	**2.2**	$	2.8	**$**	**13.9**	$	13.5
Depreciation	**$**	**26.3**	$	23.6	**$**	**96.8**	$	84.4
Finance costs and other	**$**	**26.6**	$	18.6	**$**	**99.9**	$	69.9
Realized loss (gain) on derivative contracts	**$**	**5.9**	$	(8.8)	**$**	**(17.3)**	$	(46.3)
Unrealized loss (gain) loss on derivative contracts	**$**	**8.6**	$	(21.8)	**$**	**52.8**	$	(32.0)
Unrealized gain on marketable securities	**$**	**(5.9)**	$	-	**$**	**(5.9)**	$	-
Impairment expense	**$**	**417.6**	$	55.0	**$**	**417.6**	$	55.0
(Gain) loss on sale of assets	**$**	**(112.1)**	$	(4.0)	**$**	**(110.8)**	$	5.4
Loss (income) from equity investments	**$**	**2.1**	$	14.0	**$**	**(5.3)**	$	11.6
Transaction costs	**$**	**9.1**	$	2.8	**$**	**13.6**	$	6.5
Deferred income tax (recovery) expense	**$**	**(33.2)**	$	(8.9)	**$**	**(51.0)**	$	7.6
Net (loss) income attributable to shareholders	**$**	**(331.8)**	$	(30.0)	**$**	**(385.9)**	$	8.5
Basic and diluted net (loss) income attributable to shareholders per share	**$**	**(0.78)**	$	(0.07)	**$**	**(0.91)**	$	0.02
Net cash (used in) provided by operating activities	**$**	**(5.2)**	$	66.7	**$**	**137.5**	$	242.9
Total common shares outstanding (millions)		**425.4**		424.5		**425.4**		424.5
Total consolidated assets	**$**	**1,603.6**	$	2,274.6	**$**	**1,603.6**	$	2,274.6

Results overview

Gross margin by revenue category

(in millions of Canadian dollars) **Three months ended December 31, 2023**		**Midstream**		**Downstream**		**Marketing and Other**		**Total**
Revenue from external customers	**$**	**45.3**	**$**	**194.0**	**$**	**263.7**	**$**	**503.0**
Operating expenses from external vendors		**26.2**		**175.4**		**273.6**		**475.2**
Gross margin	**$**	**19.1**	**$**	**18.6**	**$**	**(9.9)**	**$**	**27.8**

Three months ended December 31, 2022		**Midstream**		**Downstream**		**Marketing and Other**		**Total**
Revenue from external customers	$	61.2	$	248.9	$	401.0	$	711.1
Operating expenses from external vendors		38.6		211.5		403.5		653.6
Gross margin	$	22.6	$	37.4	$	(2.5)	$	57.5

(in millions of Canadian dollars) **Year ended December 31, 2023**		**Midstream**		**Downstream**		**Marketing and Other**		**Total**
Revenue from external customers	**$**	**226.9**	**$**	**783.1**	**$**	**1,198.3**	**$**	**2,208.3**
Operating expenses from external vendors		**120.0**		**702.5**		**1,229.4**		**2,051.9**
Gross margin	**$**	**106.9**	**$**	**80.6**	**$**	**(31.1)**	**$**	**156.4**

Year ended December 31, 2022		**Midstream**		**Downstream**		**Marketing and Other**		**Total**
Revenue from external customers	$	238.3	$	1,001.8	$	1,635.1	$	2,875.2
Operating expenses from external vendors		138.9		852.2		1,652.7		2,643.8
Gross margin	$	99.4	$	149.6	$	(17.6)	$	231.4

Revenue and operating expenses

Revenue in the fourth quarter decreased by 29% to $503.0 million, from $711.1 million in the same period of 2022. Lower gasoline and diesel sales volume due to the timing of sales under the offtake agreement, and lower commodity prices contributed to decreased revenue from the PGR. Natural gas processing and marketing revenue decreased largely due to lower commodity prices, and lower throughput volume at the BRC, Ram River Gas Plant, and the Pipestone Natural Gas Plant.

Net throughput volumes at Tidewater's natural gas processing and extraction facilities averaged 376 MMcf/day during the fourth quarter of 2023, a 14% decrease compared with 436 MMcf/day in the same period of 2022, primarily due to lower straddle volumes going through the BRC.

For the year ended December 31, 2023, Tidewater generated revenue of $2,208.3 million, a decrease of $666.9 million, or 23%, from the same period in 2022. The decrease is largely due to lower gasoline and diesel sales volume resulting from the six-week scheduled turnaround at the PGR during the current year and lower commodity prices. In addition, lower net throughput volumes at the natural gas processing facilities, which averaged 380 MMcf/day for the year ended December 31, 2023, a 10% decrease from 422 MMcf/day in the comparative year, contributed to the decrease in revenue. The lower average throughput for the year was largely driven by reduced throughput at the BRC during the second quarter, which was impacted by wildfires that that resulted in a 12-day the evacuation of the facility and the loss of key utilities for an additional 11 days.

Operating expenses for the three months ended December 31, 2023, decreased 27% to $475.2 million, from $653.6 million in the fourth quarter of 2022, primarily due to lower commodity prices for marketing and extraction purchases at the Corporation's facilities.

For the year ended December 31, 2023, operating expenses were $2,051.9 million, a 22% decrease from $2,643.8 million in the comparative period in 2022. The decrease was primarily a result of lower feedstock costs resulting from the turnaround at the PGR, limited operations during May at the BRC due to the wildfires, and lower commodity prices for marketing and extraction purchases at the Corporation's facilities.

General and administrative

General and administrative expenses for the three months and year ended December 31, 2023, were $19.2 million and $51.3 million, respectively, compared to $9.1 million and $36.9 million for the three months and year ended December 31, 2022, respectively. The increase in both current periods is largely due to compensation costs related to the executive leadership changes in the third and fourth quarters, and the recognition of a provision for a potentially uncollectable amount in the fourth quarter. The year ended December 31, 2023, was also impacted by higher employee costs as Tidewater Renewables prepared for operations at the HDRD Complex.

Share-based compensation

Share-based compensation costs remained relatively consistent at $2.2 million and $13.9 million for the three months and year ended December 31, 2023, respectively, compared to $2.8 million and $13.5 million for three months and year ended December 31, 2022, respectively.

Depreciation

Depreciation expense increased to $26.3 million for the three months ended December 31, 2023, from $23.6 million during the comparative period of 2022, primarily due to the commencement of depreciation on the HDRD assets. For the year ended December 31, 2023, depreciation expense was $96.8 million, compared to $84.4 million for the year ended December 31, 2022. The increase in the full year 2023 is largely due to depreciation of the capital turnaround costs incurred at the PGR in the second quarter of 2023, a complete year of depreciation on the turnaround costs for the Ram River Gas Plant and the BRC incurred in the second and third quarters of 2022, and the commencement of depreciation on the HDRD assets in the fourth quarter of 2023.

Finance costs and other

Finance costs and other for the three months ended December 31, 2023, were $26.6 million, compared to $18.6 million in the same period of 2022. During the year ended December 31, 2023, finance costs and other increased to $99.9 million from $69.9 million in the same period of 2022. The increase for both periods was primarily due to draws on Tidewater Midstream's Senior Credit Facility to fund capital projects, higher debt drawn on Tidewater Renewables' Senior Credit Facility and Term Debt Facility to fund the construction and commissioning of the HDRD Complex, and higher variable interest rates on all facilities.

Realized loss (gain) on derivative contracts

The realized loss on derivative contracts for the three months ended December 31, 2023, was $5.9 million compared to a gain of $8.8 million in the same period of 2022. Realized losses during the fourth quarter of 2023 largely relate to the settlement of vegetable oil hedges. During the year ended December 31, 2023, the realized gain on derivative contracts was $17.3 million compared to $46.3 million for the same period in 2022. The realized gains for the year were predominantly driven by the settlements of power, interest rate, and crude oil hedges, partially offset by realized losses on vegetable oil contracts.

Unrealized loss (gain) on derivative contracts

The unrealized non-cash loss on derivative contracts for the three months ended December 31, 2023, was $8.6 million, compared to an unrealized gain of $21.8 million for the three months ended December 31, 2022. During the year ended December 31, 2023, Tidewater incurred an unrealized non-cash loss on derivative contracts of $52.8 million compared to an unrealized non-cash gain of $32.0 million during the same period in 2022. The change in both periods was primarily due to volatility in vegetable oil derivative contracts used to manage the commodity price risk for Tidewater Renewables' co-processing and renewable diesel operations. Partially offsetting the unrealized loss on commodity derivative contracts for the year ended December 31, 2023, was an unrealized non-cash gain of $9.3 million recognized on the revaluation of the warrant liability to fair value. The revaluation gain is primarily a result of Tidewater Renewable's lower closing share price at December 31, 2023, compared to December 31, 2022.

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

Unrealized gain on marketable securities

During the fourth quarter, an unrealized gain of $5.9 million was recognized on the AltaGas common shares that were received on December 22, 2023, as partial consideration for the Transaction.

Impairment expense

In the fourth quarter of 2023, indicators of impairment were identified for certain Brazeau, Acheson, and non-core midstream assets within the Deep Basin cash generating unit ("CGU") and for non-core midstream assets within the North CGU. Recoverable amounts were assessed using the higher of fair value less costs to dispose and value in use and, as a result, Tidewater recorded an impairment expense of $417.6 million.

Gain on sale of assets

During the fourth quarter of 2023, Tidewater recognized a gain on the sale of assets of $112.1 million. The gain is largely due to the completion of the sale of the Pipestone assets to AltaGas in December 2023, which resulted in a disposition gain of $111.6 million, and a gain of $0.5 million on the disposition of non-core assets.

(Loss) income from equity investments

For the three months ended December 31, 2023, the loss from equity investments was $2.1 million compared to $14.0 million for the three months ended December 31, 2022. Income from equity investments for the year ended December 31, 2023, was $5.3 million compared to a loss of $11.6 million for the comparative year. The change for both periods is largely due to the recognition of a $13.5 million loss on remeasurement of the equity interest to fair value upon the acquisition of the remaining 50% ownership interest in the Tidewater Brazeau Gas Storage LP (the "Brazeau Partnership") during the fourth quarter of 2022.

Deferred income tax (recovery) expense

Tidewater had a deferred income tax recovery of $33.2 million for the three months ended December 31, 2023, compared to a deferred tax recovery of $8.9 million for the same period of 2022. For the year ended December 31, 2023, Tidewater had a deferred income tax recovery of $51.0 million, compared to a deferred tax expense of $7.6 million for the comparative period of 2022. The deferred income tax recovery in both current periods is primarily due to the net loss before income tax.

Net (loss) income attributable to shareholders

During the three months and year ended December 31, 2023, Tidewater generated net losses attributable to shareholders of $331.8 million and $385.9 million, respectively, compared to a net loss attributable to shareholders of $30.0 million for the three months ended December 31, 2022, and net income attributable to shareholders of $8.5 million for the year ended December 31, 2022. The decrease for both current periods was primarily due to the impairment charge recognized in the fourth quarter, unfavorable changes to the fair value of derivative contracts, lower gasoline and diesel sales from the PGR, lower diesel product margins, higher interest rates and debt balances, and additional compensation costs for the executive leadership changes. The decreases were offset in part by the gain on the sale of the Pipestone facilities in the fourth quarter of 2023, a deferred income tax recovery, and the gain on revaluation of the AltaGas common shares.

Capital Expenditures

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

	Three months ended December 31,		Year ended December 31,	
(in millions of Canadian dollars)	**2023**	2022	**2023**	2022
Growth capital [1]	**$ 36.7**	$ 99.1	**$ 216.6**	$ 295.8
Maintenance capital [1]	**14.5**	11.4	**76.0**	53.5
Total capital expenditures	**$ 51.2**	$ 110.5	**$ 292.6**	$ 349.3
Capital emissions credits awarded [2]	**$ (0.3)**	$ (21.6)	**$ (82.7)**	$ (56.0)

(1) Supplementary financial measures. See the "Non-GAAP Measures" section of this MD&A.
(2) During the year ended December 31, 2023, $101.3 million of capital emission credits were monetized.

Growth capital

Consolidated growth capital expenditures for the fourth quarter of 2023 were $36.7 million, compared to $99.1 million for the same period in 2022. During the year ended December 31, 2023, growth capital expenditures were $216.6 million, compared to $295.8 million for the full year in 2022. Growth capital expenditures in both periods were primarily due to construction and commissioning of Tidewater Renewables' HDRD Complex. These costs were partially offset by funds received from the sale of emission credits awarded by government entities for achieving milestones under executed incentive agreements. Additional information on the HDRD Complex is discussed in the **OUTLOOK AND CORPORATE UPDATE** section of this MD&A. The remaining growth capital expenditures were incurred for unifiner catalyst upgrades at the PGR and other small-scale optimization projects.

Maintenance capital

Tidewater places a high priority on the maintenance of its assets to provide safe and reliable services to its customers. Maintenance capital expenditures for the three months and year ended December 31, 2023, were $14.5 million and $76.0 million, respectively. The increase of $3.1 million for the three months ended December 31, 2023, was largely due to maintenance projects at the Pipestone Natural Gas Plant and the BRC during the quarter. The $22.5 million increase during the year ended December 31, 2023, was primarily due to the scheduled plant turnaround at the PGR during the second quarter of 2023, offset in part by turnaround costs for the BRC, Ram River Gas Plant and Pipestone Natural Gas Plant during the second and third quarters of 2022.

SELECTED ANNUAL INFORMATION

The following table presents selected consolidated annual financial information for Tidewater:

(In millions of Canadian dollars, except per share information)		Year ended December 31,	
	2023	2022	2021
Revenue	**$ 2,208.3**	$ 2,875.2	$ 1,698.4
Net (loss) income attributable to shareholders	**(385.9)**	8.5	71.5
Net (loss) income per share attributable to shareholders – basic	**(0.91)**	0.02	0.21
Net (loss) income per share attributable to shareholders – diluted	**(0.91)**	0.02	0.18
Dividends declared	**12.8**	15.3	13.6
Dividends declared per common share	**0.03**	0.04	0.04
Total assets	**1,603.6**	2,274.6	1,970.6
Total non-current liabilities	**338.4**	981.7	803.8

SUMMARY OF QUARTERLY RESULTS

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

(In millions of Canadian dollars, except per share information)	**Q4 2023**	Q3 2023	Q2 2023	Q1 2023
Revenue	**$ 503.0**	$ 582.1	$ 508.7	$ 614.5
Net loss attributable to shareholders	**(331.8)**	(22.9)	(6.4)	(24.8)
Net loss per share attributable to shareholders – basic	**(0.78)**	(0.05)	(0.02)	(0.06)
Net loss per share attributable to shareholders – diluted	**(0.78)**	(0.05)	(0.02)	(0.06)
Consolidated adjusted EBITDA [1]	**$ 21.4**	$ 48.6	$ 44.0	$ 48.9

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

(In millions of Canadian dollars, except per share information)	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	$ 711.1	$ 712.1	$ 793.6	$ 658.4
Net (loss) income attributable to shareholders	(30.0)	(18.8)	16.1	41.2
Net (loss) income per share attributable to shareholders – basic	(0.07)	(0.05)	0.05	0.12
Net (loss) income per share attributable to shareholders – diluted	(0.07)	(0.05)	0.04	0.10
Consolidated adjusted EBITDA [1]	$ 60.4	$ 62.1	$ 69.9	$ 57.4

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

During 2023, Tidewater's results were impacted by the following factors and trends:

- a scheduled turnaround at the Price George refinery in the second quarter, reducing gasoline and diesel sales volume during this period;
- volatility in commodity prices impacting product margins;
- lower average power prices;
- a $417.6 million impairment expense recorded on certain assets in the Deep Basin and North CGUs; and
- the recognition of a $111.6 million gain on the sale of the Pipestone assets during the fourth quarter.

During 2022, Tidewater's results were impacted by the following factors and trends:

- strong refining margins at the PGR;
- scheduled turnarounds at the Ram River Gas Plant and BRC in the second quarter, and the Pipestone Natural Gas Plant during the third and fourth quarters, reducing throughput volume during these periods;
- increased producer drilling and activity;
- volatility in commodity prices impacting product margins;
- higher power prices and inflation impacting operating costs;
- large realized and unrealized gains on derivative contracts due to fluctuating commodity prices;
- a $55.0 million impairment expense recorded on certain non-core assets in the Deep Basin CGU; and
- the recognition of a $13.5 million loss on the acquisition of the remaining 50% ownership interest in the Brazeau Partnership during the fourth quarter.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity Sources

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

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

Tidewater Midstream and Tidewater Renewables' ability to obtain additional financing or refinance existing obligations depends on operating performance, the condition of capital markets, and short and long-term debt ratings assigned by independent rating agencies. Additionally, circumstances related to rising interest rates, inflation, and other factors causing disruption in the capital markets could make financing or refinancing more difficult and/or expensive and may limit the ability to obtain such financing or refinancing at all or on acceptable terms to the Corporation. Tidewater has $774.1 million of debt, of which $496.8 million will mature in 2024. Any refinancing or repayment may be at higher interest rates, less favorable terms, or may require compliance with more onerous covenants or result in dilution of shareholders.

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

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

(in millions of Canadian dollars)	Maturity Date	Rate	Facility Amount	Amount Drawn
Tidewater Midstream Senior Credit Facility	February 10, 2026[(1)]	variable	$ 375.0	**$ 322.3**
Convertible debentures	September 30, 2024	fixed	75.0	**75.0**
Tidewater Midstream total			$ 450.0	**$ 397.3**
Tidewater Renewables Senior Credit Facility	August 18, 2024	variable	175.0	**171.8**
Tidewater Renewables Term Debt Facility	October 24, 2027	variable	175.0	**175.0**
Tidewater Renewables total			$ 350.0	**$ 346.8**
Tidewater Consolidated			$ 800.0	**$ 744.1**

(1) The term portion of the facility matures on December 22, 2024.

Tidewater Midstream and Tidewater Renewables each have a revolving credit facility (each a "Senior Credit Facility" and together, the "Senior Credit Facilities") with a syndicate of banks. The Corporation's Senior Credit Facilities are used to provide financing for working capital, to fund capital expenditures and acquisitions, and for other general corporate purposes.

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

On September 29, 2023, Tidewater Midstream's Senior Credit Facility was amended to increase the deconsolidated first lien senior debt to adjusted EBITDA financial covenant to 4.0 from 3.5 for September 30, 2023, only.

On October 17, 2023, Tidewater Midstream's Senior Credit Facility was further amended (the "Third ARCA") to increase the capacity on the facility by an additional $50 million to $600 million. Of the $50 million increase, $30 million was reserved for the acquisition of the remaining interest in the Pipestone Partnership to facilitate the Transaction.

On December 22, 2023, the Tidewater Midstream Senior Credit Facility was amended and restated (the "Fourth ARCA"). The following facilities are available to Tidewater Midstream under the Fourth ARCA:

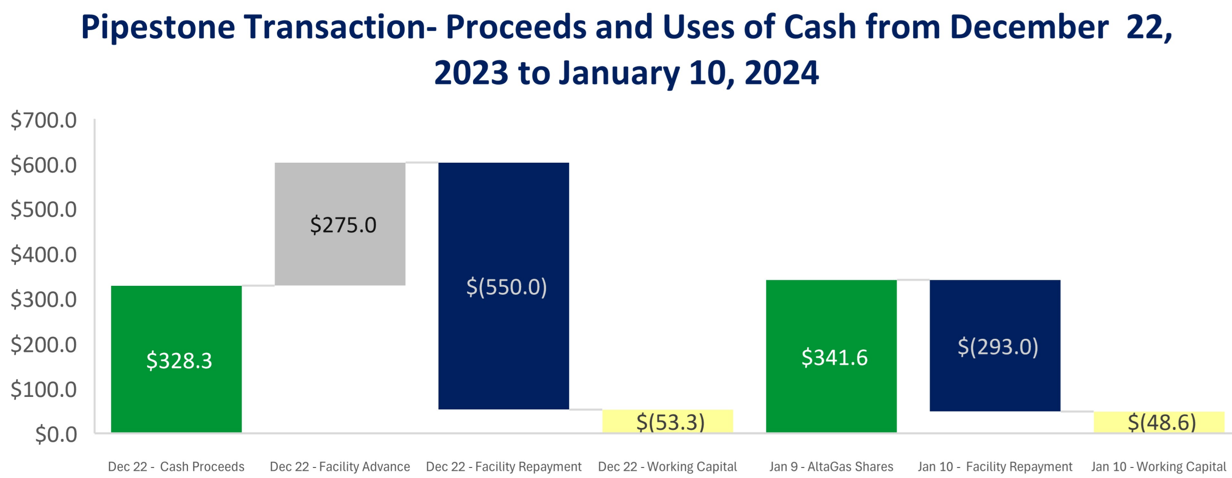
		Facility Amount	Maturity Date		**Amount Drawn December 31, 2023**
Syndicated facility	$	100.0	February 10, 2026	**$**	**50.0**
Operating facility		50.0	February 10, 2026		**47.3**
Term facility		225.0	December 22, 2024		**225.0**
Tidewater Midstream Senior Credit Facility	$	375.0		**$**	**322.3**

The syndicated and operating facilities are revolving facilities that can be drawn in either Canadian or U.S. funds and bear interest at the agent bank's prime lending rate or adjusted CORRA or SOFR lending rates, plus applicable margins and stamping fees. Pricing and margins are tied to Tidewater Midstream's quarterly deconsolidated debt to adjusted EBITDA ratio, as calculated for covenant reporting.

The term facility under the Fourth ARCA permitted a single draw-down of funds on closing of the Transaction. Repayments made prior to the maturity date permanently reduce the total funds available under the facility. The term facility bears interest at the agent bank's prime lending rate, plus margins subject to monthly escalation.

The $275.0 million of proceeds from the initial Fourth ARCA term and syndicated facility draw-downs, plus $328.3 million of cash proceeds from the Transaction, were used to repay $550.0 million of debt drawn under the Third ARCA at December 22, 2023, and $53.3 million of working capital.

Subsequent to December 31, 2023, on January 9, 2024, Tidewater monetized the AltaGas common shares for proceeds of $341.6 million and fully repaid the $225.0 million Fourth ARCA term facility, plus $68.0 million on the Fourth ARCA revolving credit facilities, for total debt repayment of $293.0 million. The remaining proceeds were used to pay down $48.6 million of working capital.



On October 24, 2022, Tidewater Renewables announced the closing of a five-year senior secured second lien credit facility (the "Term Debt Facility"), with a face value of $150.0 million, through an Alberta based pension fund. The Term Debt Facility was issued along with 3.4 million warrants, each of which entitles the holder to purchase one common share of Tidewater Renewables for a term of five years.

On May 10, 2023, the Term Debt Facility was amended and an additional $25.0 million was advanced (the "Additional Debt Capacity"), and the Tidewater Renewables Senior Credit Facility was amended to provide a temporary increase of $25.0 million.

The $25.0 million of Additional Debt Capacity matures on August 18, 2024, and will be extended to a maximum of August 18, 2025, predicated on the extension of the Tidewater Renewables Senior Credit Facility. The $25.0 million of Additional Debt Capacity is also subject to variable quarterly repayments based on a portion of Tidewater Renewables' adjusted cash flows. The calculation of these adjusted cash flows is based on specific definitions in the agreements governing the Term Debt Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to Tidewater Renewables' consolidated financial statements. The Additional Debt Capacity can be repaid at Tidewater Renewables' option without penalty.

Tidewater Renewables is working with its capital providers to extend or replace its Senior Credit Facility and the Additional Debt Capacity under the Term Debt Facility, both of which have a maturity date of August 18, 2024. In the event that the Tidewater Renewables Senior Credit Facility is not extended alternative sources of funding will be necessary.

Tidewater Renewables' quarterly financial covenants were waived as at September 30, 2023. On December 20, 2023, Tidewater Renewables obtained an additional waiver for its December 31, 2023, quarterly financial covenants. Beginning on January 1, 2024, Tidewater Renewables will be required to maintain certain quarterly financial covenants on an annualized basis.

The Term Debt Facility bore interest of 9.5% per annum. Beginning on January 1, 2024, the base interest rate reverts to 6.7% for the original principal amount and remains at 9.5% for any amounts outstanding under the Additional Debt Capacity. The $25.0 million of Additional Debt Capacity is subject to variable quarterly repayments. The variable repayments are based on a portion of Tidewater Renewables' adjusted cash flows. The calculation of these adjusted cash flows is based on specific definitions in the agreements governing the Term Debt Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to Tidewater Renewables' financial statements.

Tidewater Renewables has entered into certain agreements with government entities under which it is awarded capital emissions credits for achieving construction and commissioning milestones on its projects. Tidewater Renewables has executed forward sale agreements with third parties for a portion of the remaining credits to be issued.

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

On occasion, the Corporation issues letters of credit in connection with transactions in which the counterparty requires such security. At December 31, 2023, the Corporation had $125.9 million in letters of credit issued to facilitate commercial transactions with third parties and to support regulatory requirements. The letters of credit are issued under separate facilities from the Senior Credit Facilities.

Financial Covenants

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

	Ratio	December 31, 2023
Deconsolidated debt to adjusted EBITDA	Maximum 4.50:1	2.86
Deconsolidated first lien senior debt to adjusted EBITDA	Maximum 3.50:1	2.86
Adjusted EBITDA to interest coverage	Minimum 2.50:1	2.58

Tidewater Midstream is required to maintain certain deconsolidated financial covenants on a trailing-quarterly basis. The calculations for each of these ratios are based on specific definitions in the agreements governing the Tidewater Midstream Senior Credit Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to the Corporation's consolidated financial statements. For purposes of the covenant calculation, Tidewater Midstream's convertible debentures are excluded from the calculations. At December 31, 2023, Tidewater Midstream was in compliance with its financial covenants.

Under the Fourth ARCA, annualized covenant calculations for the period ending December 31, 2023, are based on fourth quarter adjusted EBITDA and interest expense after giving pro forma effect to the Transaction and proceeds therefrom, and subsequently multiplied by four. Starting in the first quarter 2024, covenant calculations will be annualized under each cumulative quarter in 2024 with the covenant calculations returning to rolling twelve-month periods starting fourth quarter 2024.

On December 20, 2023, Tidewater Renewables obtained an additional waiver for its December 31, 2023, quarterly financial covenants. Beginning on January 1, 2024, Tidewater Renewables will be required to maintain certain quarterly financial covenants on an annualized basis. The first calculation will be based on results from January 1, 2024, to March 31, 2024. The calculations for each of the financial covenant ratios are based on specific definitions in the agreements governing the Tidewater Renewables Senior Credit Facility and the Term Debt Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to Tidewater Renewables' financial statements.

The upcoming annualized financial covenants are as follows:

	Ratio
Tidewater Renewables debt to adjusted EBITDA	Maximum 4.00:1
Tidewater Renewables first lien senior debt to adjusted EBITDA	Maximum 3.00:1
Adjusted EBITDA to interest coverage	Minimum 2.50:1

Tidewater Renewables must also maintain revenue contracts with investment grade entities representing no less than 80% of EBITDA, having a term of no less than three years, provided that for the purposes of this covenant, Tidewater Midstream shall be deemed to be investment grade.

Credit Rating

On September 30, 2023, Tidewater was rated by Standard & Poor's ("S&P") as "B" with a stable outlook. On October 17, 2023, S&P confirmed the Corporation's "B" rating while placing Tidewater on CreditWatch with an outlook of "developing" pending the close of the Transaction with AltaGas.

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

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

Cash Flow Summary

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

(in millions of Canadian dollars)	**Three months ended December 31,**		**Year ended December 31,**	
Cash flows provided by (used in)	**2023**	2022	**2023**	2022
Operating activities	**$ (5.2)**	$ 66.7	**$ 137.5**	$ 242.9
Financing activities	**$ (254.4)**	$ 70.8	**$ (168.7)**	$ 37.9
Investing activities	**$ 256.1**	$ (133.1)	**$ 14.3**	$ (279.6)

Net cash (used in) provided by operating activities

Net cash used in operating activities was $5.2 million for the three months ended December 31, 2023, compared to cash provided by operating activities of $66.7 million for the three months ended December 31, 2022, primarily due to lower operating income in the fourth quarter of 2023, and changes in non-cash working capital. Net cash provided by operating activities was $137.5 million for the year ended December 31, 2023, compared to $242.9 million in the year ended December 31, 2022. The change for the year ended December 31, 2023, was primarily attributable to the scheduled six-week turnaround at the PGR in the second quarter of 2023, higher operating income in 2022, and changes in non-cash operating working capital.

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

Net cash (used in) provided by financing activities

Net cash used in financing activities was $254.4 million for the three months ended December 31, 2023, compared to net cash provided by financing activities of $70.8 million for the three months ended December 31, 2022. Net cash used in financing activities was $168.7 million for the year ended December 31, 2023, compared to net cash provided by financing activities of $37.9 million for the year ended December 31, 2022. The cash used in financing activities for both current periods was largely due to repayments on the Corporation's debt facilities and payments of interest and financing costs. The net cash provided by financing activities in the comparative periods was largely due to advances on debt to fund the construction of Tidewater Renewables' HDRD Complex.

In December 2023, the Board of Directors elected to suspend the quarterly dividend of $0.01 per common share to enhance the Corporation's financial flexibility.

Net cash provided by (used in) investing activities

Net cash provided by investing activities was $256.1 million for the three months ended December 31, 2023, compared to net cash used in investing activities of $133.1 million for the three months ended December 31, 2022, primarily due to proceeds received from the Transaction in the current quarter, offset by changes in non-cash working capital. Net cash used in the comparative period was primarily due to expenditures on the HDRD Complex and the acquisition of the remaining 50% ownership interest in the Brazeau Partnership for $35.2 million. Net cash provided by investing activities for the year ended December 31, 2023, was $14.3 million, compared to net cash used of $279.6 million for the year ended December 31, 2022. For the year ended December 31, 2023, proceeds from the Transaction and sale of capital emissions credits were partially offset by expenditures on the scheduled second quarter turnaround at the PGR, construction of Tidewater Renewables' HDRD Complex, and changes in non-cash investing working capital. Net cash used in investing activities during the comparative year was primarily for expenditures on the HDRD Complex offset by changes in non-cash investing working capital.

CONTRACTUAL LIABILITIES AND COMMITMENTS

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

(in millions of Canadian dollars)		Within one year		After one year but not more than five years		More than five years		Total
Accounts payable, accrued liabilities and provisions [1]	$	360.7	$	-	$	-	$	360.7
Derivative contracts		31.0		21.3		-		52.3
Warrant liability		3.2		-		-		3.2
Lease liabilities and other [2]		37.5		20.1		0.3		57.9
Bank debt [3]		396.8		97.3		-		494.1
Term debt [3]		25.0		150.0		-		175.0
Convertible debentures interest [4]		3.1		-		-		3.1
Convertible debentures repayment [3]		75.0		-		-		75.0
Firm transportation contracts [5]		23.7		94.9		32.9		151.5
Purchase obligations		10.8		-		-		10.8
Total	**$**	**966.8**	**$**	**383.6**	**$**	**33.2**	**$**	**1,383.6**

(1) Included in accounts payables, accrued liabilities and provisions is an obligation of $24.8 million (December 31, 2022 - $24.8 million) secured by crude oil and refined product inventory. The current interest rate is 8% per annum and has a current maturity of July 2024.
(2) Amounts represent the expected undiscounted cash payments related to lease liabilities and other.
(3) Amounts represent undiscounted principal only and exclude accrued interest.
(4) Fixed interest payments on convertible debentures. The convertible debentures mature on September 30, 2024.
(5) Fixed transportation contracts are presented gross of flow-through operating cost recoveries from customers.

OUTSTANDING EQUITY

At March 12, 2024, Tidewater Midstream had the following outstanding common shares, restricted share units ("RSUs"), deferred share units ("DSUs") and options:

(In millions)	
Common shares	428.2
RSUs	7.6
DSUs	0.9
Options	7.2

TRANSACTIONS WITH RELATED PARTIES

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

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

For the year ended December 31, 2023, Tidewater had no other transactions with related parties, except those pertaining to contributions to Tidewater's long-term incentive plans and remuneration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

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

The majority of Tidewater's accounts receivable are due from entities in the oil and gas industry and are subject to normal industry credit risks. Approximately 50% of the Corporation's cash flow is derived from investment-grade counterparties. Tidewater evaluates and monitors the financial strength of its customers in accordance with its credit policy. Financial assurances received to mitigate and reduce risk may include letters of credit and prepayments.

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

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

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

RISK FACTORS

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

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. The Corporation's ESG program and initiatives are described within the AIF, an electronic copy of which is available on Tidewater's SEDAR+ profile at www.sedarplus.ca.

ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Tidewater's material accounting policies are disclosed in note 3 of the Financial Statements for the year ended December 31, 2023. There were no new significant accounting standards or interpretations issued during the year ended December 31, 2023.

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changing circumstances may result in actual results or changes to estimates that differ materially from current estimates. The Corporation's use of estimates and judgments is discussed in note 2 of the Financial Statements for the year ended December 31, 2023.

CONTROL ENVIRONMENT

Disclosure controls and procedures

The Corporation's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P"), as defined by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), to provide reasonable assurance that material information relating to the Corporation is made known to them by others, particularly during the period in which the annual filings are being prepared, and information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The Corporation's management, including the Chief Executive Officer and Chief Financial Officer, evaluate the effectiveness of the Corporation's DC&P annually.

Internal controls over financial reporting

Tidewater's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"), as defined by NI 52-109. They have as at the year ended December 31, 2023, designed ICFR or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS. The control framework used by the officers to design the Corporation's ICFR is the Internal Control – *Integrated Framework (2013*) issued by the Committee of Sponsoring Organizations.

Management of the Corporation, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Corporation's DC&P and ICFR as at December 31, 2023. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Corporation's DC&P and ICFR are effective as of the end of the year, in all material respects.

The Corporation's Chief Executive Officer and Chief Financial Officer are required to disclose any change in the ICFR that occurred during the most recent period that has materially affected or is reasonably likely to materially affect, the Corporation's ICFR. No material changes in the ICFR were identified during the period ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR. It should be noted that while the Chief Executive Officer and Chief Financial Officer believe that the Corporation's design of DC&P and ICFR provide a reasonable level of assurance that they are effective, they do not expect that the control system will prevent all errors and fraud. A control system, no matter how well conceived or operated, does not provide absolute assurance, but rather is designed to provide reasonable assurance that the objective of the control system is met. The Corporation's ICFR and DC&P may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Corporation's policies and procedures.

NON-GAAP MEASURES

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

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

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

Non-GAAP Financial Measures

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

Consolidated and deconsolidated adjusted EBITDA

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

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

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

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

(in millions of Canadian dollars)	Three months ended December 31, **2023**	2022	Year ended December 31, **2023**	2022
Net (loss) income	**$ (338.6)**	$ (24.9)	**$ (399.2)**	$ 18.9
Deferred income tax (recovery) expense	**(33.2)**	(8.9)	**(51.0)**	7.6
Depreciation	**26.3**	23.6	**96.8**	84.4
Finance costs and other	**26.6**	18.6	**99.9**	69.9
Share-based compensation	**2.2**	2.8	**13.9**	13.5
Impairment expense	**417.6**	55.0	**417.6**	55.0
(Gain) loss on sale of assets	**(112.1)**	(4.0)	**(110.8)**	5.4
Unrealized loss (gain) on derivative contracts	**8.6**	(21.8)	**52.8**	(32.0)
Unrealized gain on marketable securities	**(5.9)**	-	**(5.9)**	-
Transaction costs	**9.1**	2.8	**13.6**	6.5
Non-recurring transactions	**7.1**	0.7	**16.7**	2.1
Other non-cash expenses	**6.4**	-	**6.4**	-
Adjustment to share of profit from equity accounted Investments	**7.3**	16.5	**12.1**	18.5
Consolidated adjusted EBITDA	**$ 21.4**	$ 60.4	**$ 162.9**	$ 249.8
Less: Consolidated adjusted EBITDA attributable to Tidewater Renewables	**(10.7)**	(16.7)	**(45.9)**	(62.4)
Deconsolidated adjusted EBITDA	**$ 10.7**	$ 43.7	**$ 117.0**	$ 187.4

Distributable cash flow and deconsolidated distributable cash flow attributable to shareholders

Distributable cash flow is calculated as net cash provided by (used in) operating activities before changes in non-cash working capital, plus cash distributions from investments, transaction costs, non-recurring transactions, and less other expenditures that use cash from operations. Also deducted is the distributable cash flow of Tidewater Renewables that is attributed to non-controlling interest shareholders. Management believes distributable cash flow is a useful metric for investors when assessing the amount of cash flow generated from normal operations 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 can vary significantly based on the Corporation's acquisition and disposition activity. Non-recurring transactions that do not reflect Tidewater's ongoing operations are also excluded. Lease payments, interest and financing charges, and maintenance capital expenditures, including turnarounds, are deducted as they are ongoing recurring expenditures which are funded from operating cash flows.

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

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

(in millions of Canadian dollars)	Three months ended December 31, **2023**	2022	Year ended December 31, **2023**	2022
Net cash (used in) provided by operating activities	**$ (5.2)**	$ 66.7	**$ 137.5**	$ 242.9
Add (deduct):				
Changes in non-cash operating working capital	**0.7**	(19.4)	**(37.3)**	(19.8)
Transaction costs	**9.1**	2.8	**13.6**	6.5
Non-recurring transactions	**7.1**	0.7	**16.7**	2.1
Interest and financing charges	**(20.8)**	(11.7)	**(70.9)**	(43.0)
Payment of lease liabilities and other, net of sublease payments	**(11.7)**	(11.7)	**(47.0)**	(47.8)
Maintenance capital	**(14.5)**	(11.4)	**(76.0)**	(53.5)
Tidewater Renewables' distributable cash flow to non-controlling interest shareholders	**(0.7)**	(2.9)	**(0.9)**	(11.9)
Distributable cash flow attributable to shareholders	**$ (36.0)**	$ 13.1	**$ (64.3)**	$ 75.5
Tidewater Renewables' distributable cash flow attributed to shareholders of Tidewater	**$ (1.4)**	$ (6.5)	**$ (1.8)**	$ (26.2)
Deconsolidated distributable cash flow attributable to shareholders	**$ (37.4)**	$ 6.6	**$ (66.1)**	$ 49.3

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

Non-GAAP Financial Ratios

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

Distributable cash flow and deconsolidated distributable cash flow per share

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

(in millions of Canadian dollars except share and per share information)	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Distributable cash flow attributable to shareholders	**$ (36.0)**	$ 13.1	**$ (64.3)**	$ 75.5
Deconsolidated distributable cash flow attributable to shareholders	**$ (37.4)**	$ 6.6	**$ (66.1)**	$ 49.3
Weighted average common shares outstanding – basic (millions)	**427.1**	423.5	**425.4**	372.1
Weighted average common shares outstanding – diluted (millions)	**427.1**	423.5	**425.4**	380.4
Distributable cash flow per share – basic	**$ (0.08)**	$ 0.03	**$ (0.15)**	$ 0.20
Deconsolidated distributable cash flow per share – basic	**$ (0.09)**	$ 0.02	**$ (0.16)**	$ 0.13
Distributable cash flow per share – diluted	**$ (0.08)**	$ 0.03	**$ (0.15)**	$ 0.20
Deconsolidated distributable cash flow per share – diluted	**$ (0.09)**	$ 0.02	**$ (0.16)**	$ 0.13

Capital Management Measures

Tidewater's methods for managing capital and liquidity are discussed in the **LIQUIDITY AND CAPITAL RESOURCES** section of this MD&A and within note 24 of the Financial Statements for the year ended December 31, 2023.

Consolidated and deconsolidated net debt

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

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

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

The following table reconciles consolidated and deconsolidated net debt:

(in millions of Canadian dollars)		**December 31, 2023**		December 31, 2022
Tidewater Midstream Senior Credit Facility	**$**	**322.3**	$	470.2
Tidewater Renewables Senior Credit Facility		**171.8**		72.6
Tidewater Renewables Term Debt Facility		**175.0**		150.0
Convertible debentures - principal		**75.0**		75.0
Cash		**(0.1)**		(17.0)
Consolidated net debt	**$**	**744.0**	$	750.8
Less: Tidewater Renewables Senior Credit Facility		**(171.8)**		(72.6)
Less: Tidewater Renewables Term Debt Facility		**(175.0)**		(150.0)
Add: Tidewater Renewables cash		**0.1**		11.4
Deconsolidated net debt	**$**	**397.3**	$	539.6

Supplementary Financial Measures

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

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

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

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

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

OPERATIONAL DEFINITIONS

"bbl/d" means barrels per day; "MMcf/d" means million cubic feet per day.

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

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

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

FORWARD-LOOKING INFORMATION

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

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

- Tidewater's deconsolidated maintenance capital guidance for 2024;
- Tidewater's consolidated adjusted EBITDA guidance for 2024;
- Tidewater Renewables' projections regarding the performance and benefits of the HDRD Complex including cost forecasts, expected benefits of the project, including the generation of credits under the British Columbia Low Carbon Fuel Standard and the Canadian Clean Fuel Regulations, and expectations regarding increasing production rates;
- Tidewater's capital allocation strategy will remain disciplined moving forward, with growth initiatives focused on the successful commissioning of the HDRD Complex and accretive small scale optimization projects;
- the PGR turnaround cycle and the next scheduled outage;
- the fluctuation of cash provided by operating activities due to changes in inventory, commodity prices and seasonal demand;
- the fluctuation of working capital requirements due to fluctuations in commodity prices and demand;
- supply and demand for products and services;
- estimated throughput;
- budgets, including future capital, operating or other expenditures and projected costs;
- the activity levels of upstream producers in areas that the Corporation operates;
- expectations regarding maintenance requirements and maintenance capital expenditures;
- the effect of commodity prices on Tidewater's refining margins;
- Tidewater's primary liquidity and capital resource needs;
- expectations that net cash provided by operating activities, cash flow generated from growth projects, cash available from its Senior Credit Facilities, and other sources of financing will be sufficient to meet

the Corporation's obligations and financial commitments and will provide sufficient funding for anticipated capital expenditures;

- expectations that the current financial position of the Corporation provides sufficient financial flexibility and resources to manage liquidity requirements;
- expectations regarding Tidewater's use of its Senior Credit Facilities;
- expectations regarding interest rates, financial covenants and debt repayment by Tidewater Renewables under the Tidewater Renewables Senior Credit Facility and Term Debt Facility;
- expectations regarding the Corporations ability to maintain sufficient liquidity sources to fund its ongoing operations, debt service requirements, dividends and working capital needs;
- the Corporations operation of natural gas storage assets in equity accounted investments;
- the Corporation's use of risk management strategies and policies, including the evaluation of counterparty credit risk;
- the Corporation's use of financial derivative contracts to manage commodity price, power, interest and foreign exchange risk;
- the Corporation's use of letters of credit;
- the continued consistent performance of the Corporation's facilities;
- Tidewater's prioritization of the maintenance of its assets;
- The demand for refined and renewable products; and
- the Corporation's expectations regarding counterparty credit risk and the ability of the Corporation to limit its credit risk through dealing with recognized futures exchanges or investment-grade financial institutions and by maintaining credit policies which minimize overall counterparty credit risk.

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

- Tidewater's ability to execute on its business plan;
- the timely receipt of all governmental and regulatory approvals sought by the Corporation;
- the ability to refinance its Senior Credit Facility;
- that PGR crack spreads remain strong and refined product demand continues to increase;
- general economic and industry trends;
- future commodity prices, including natural gas, crude oil, NGL and renewable energy prices;
- impacts of commodity prices and demand on the Corporation's working capital requirements;
- continuing government support for existing policy initiatives;
- processing and marketing margins;
- impacts of seasonality and climate disruptions;
- future capital expenditures to be made by the Corporation;
- foreign currency, exchange and interest rates, and expectations relating to inflation;
- that there are no unforeseen events preventing the performance of contracts;
- the availability of equipment and personnel required for Tidewater to execute its business plan;
- the amount of future liabilities relating to lawsuits and environmental incidents and the availability of coverage under the Corporation's insurance policies;
- volume demands from the PGR are consistent with forecasts;
- successful negotiation and execution of agreements with counterparties;
- oil and gas industry exploration and development activity and the geographic region of such activity;

- the Corporation’s ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner;
- the amount of operating costs to be incurred;
- that there are no unforeseen costs relating to the facilities, not recoverable from customers;
- that distributable cash flow and net cash provided by operating activities are consistent with expectations;
- the ability to obtain additional financing on satisfactory terms;
- the availability of capital to fund future capital requirements relating to existing assets and projects;
- the ability of Tidewater to successfully market its products;
- the successful integration of acquisitions and projects into the Corporation’s existing business; and
- the Corporation’s future debt levels and the ability of the Corporation to repay its debt when due.

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

- changes in demand for refined and renewable products;
- general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, stock market volatility, supply/demand trends, armed hostilities, acts of war, terrorism, cyberattacks, diplomatic developments and inflationary pressures;
- activities of producers and customers and overall industry activity levels;
- failure to negotiate and conclude any required commercial agreements;
- the potential inability to refinance its Senior Credit Facility;
- non-performance of agreements in accordance with their terms;
- failure to execute formal agreements with counterparties in circumstances where letters of intent or similar agreements have been executed and announced by Tidewater;
- the conflict in Ukraine and the corresponding impact on supply chains and the global economy;
- risks of health epidemics, pandemics, public health emergencies, quarantines, and similar outbreaks, including COVID-19, which may have sustained material adverse effects on the Corporation’s business financial position results of operations and/or cash flows;
- changes in environmental and other laws and regulations or the interpretations of such laws or regulations;
- cost of compliance with applicable regulatory regimes, including, but not limited to, environmental laws and regulations, including greenhouse gas emissions;
- Indigenous and landowner consultation requirements;
- climate change initiatives or policies or increased environmental regulation;
- that receipt of third party, regulatory, environmental and governmental approvals and consents relating to Tidewater’s capital projects can be obtained on the necessary terms and in a timely manner;
- that the resolution of any particular legal proceedings could have an adverse effect on the Corporation’s operating results or financial performance;
- competition for, among other things, business capital, acquisition opportunities, requests for proposals, materials, equipment, labour, and skilled personnel;
- the ability to secure land and water, including obtaining and maintaining land access rights;
- operational matters, including potential hazards inherent in the Corporation’s operations and the effectiveness of health, safety, environmental and integrity programs;

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

The foregoing lists are not exhaustive. Additional information on these and other factors which could affect the Corporation's operations or financial results are included in the Corporation's most recent AIF and in other documents on file with the Canadian securities regulatory authorities.

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

The Corporation's actual results' performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any off them do so, what benefits the Corporation will derive therefrom. Readers are therefore cautioned that the foregoing list of important factors is not exhaustive, and they should not unduly rely on the forward-looking statements included in this MD&A. Tidewater does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable securities law. All forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Further information about factors affecting forward-looking statements and management's assumptions and analysis thereof is available in filings made by the Corporation with Canadian provincial securities commissions available on the System for Electronic Document Analysis and Retrieval ("**SEDAR+**") at www.sedarplus.ca.

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