

TIDEWATER RENEWABLES LTD.
INITIAL PUBLIC OFFERING OF COMMON SHARES
TERM SHEET

A SUPPLEMENTED PREP PROSPECTUS DATED AUGUST 12, 2021 (THE "FINAL PROSPECTUS") CONTAINING IMPORTANT INFORMATION RELATING TO THE SECURITIES DESCRIBED IN THIS DOCUMENT HAS BEEN FILED WITH THE SECURITIES REGULATORY AUTHORITIES IN EACH OF THE PROVINCES OF CANADA. A COPY OF THE FINAL PROSPECTUS, AND ANY AMENDMENT, IS REQUIRED TO BE DELIVERED WITH THIS DOCUMENT. THIS DOCUMENT DOES NOT PROVIDE FULL DISCLOSURE OF ALL MATERIAL FACTS RELATING TO THE SECURITIES OFFERED. INVESTORS SHOULD READ THE FINAL PROSPECTUS AND ANY AMENDMENT FOR DISCLOSURE OF THOSE FACTS, ESPECIALLY RISK FACTORS RELATING TO THE SECURITIES OFFERED, BEFORE MAKING AN INVESTMENT DECISION.

THE SECURITIES OF THE COMPANY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES (AS SUCH TERM IS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT) (THE "UNITED STATES") AND MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE COMPANY'S SHARES IN THE UNITED STATES.

ALL REFERENCES TO "\$" OR "DOLLARS" IN THIS DOCUMENT ARE TO CANADIAN DOLLARS.

Issuer:	Tidewater Renewables Ltd. ("Tidewater Renewables" or the "Company").
Offering:	10,000,000 common shares ("Common Shares") of the Company from treasury (11,500,000 Common Shares if the Over-Allotment Option is exercised in full).
Offering Price:	\$15.00 per Common Share.
Offering Size:	\$150 million (\$172.5 million if the Over-Allotment Option is exercised in full).
Over-Allotment Option:	The Company has granted to the Underwriters the Over-Allotment Option, exercisable at the Underwriters' sole discretion at any time, in whole or in part, from time to time, until 30 days after Closing, to purchase, at the Offering Price, up to an additional 1,500,000 Common Shares, representing 15% of the aggregate number of Common Shares offered by the Company, to cover over-allotments, if any, and for market stabilization purposes.
Shares Outstanding:	33,900,000 Common Shares outstanding following Closing and the acquisition of the Acquired Assets (as defined below) (35,400,000 Common Shares if the Over-Allotment Option is exercised in full).
Acquired Assets:	The proceeds of the Offering will be used toward the purchase price of certain assets (the "Acquired Assets"), which includes existing logistics (existing loading, unloading and rail assets for feedstock coming in and renewable fuels going out at the Prince George refinery ("PGR") owned by Tidewater Midstream (as defined below)), processing activities (existing processing capacity and hydrogen production required for the co-processing projects at PGR), storage (tankage for storage and blending for renewable diesel at PGR and storage reservoirs for renewable natural gas located at Tidewater Midstream's Brazeau River Complex), and utilities that will facilitate the operation of the renewable fuels growth projects as they come on line.
Principal Shareholder:	Tidewater Midstream and Infrastructure Ltd. ("Tidewater Midstream") Upon Closing and completion of the acquisition of Acquired Assets, Tidewater Midstream will own approximately 70.50% of the outstanding Common Shares (approximately 67.51% if the Over-Allotment Option is exercised in full).
Use of Proceeds:	Tidewater Renewables expects to receive approximately \$139 million in net proceeds from the Offering, after deducting the Underwriters' Fee payable by the Company to the Underwriters in connection with the Offering and the estimated expenses of the Offering, which are expected to be \$11 million. The entire net proceeds of the Offering (approximately \$139 million) will be applied towards a portion of the cash component of the purchase price for the Acquired Assets.

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Description of Share Capital:	Each Common Share will entitle the holder to one vote at all meetings of shareholders and, subject to the rights of holders of preferred shares of the Company, to receive any dividend declared by the Company on the Common Shares and to receive the remaining property of the Company upon dissolution.
Dividend Policy:	The Company does not currently anticipate paying any cash dividends on its securities, including the Common Shares, in the near future. It may pay cash dividends in the future if and when operational circumstances permit. The actual amount of cash distributed to shareholders, if any, will depend on numerous factors including: (i) the earnings of the Company; (ii) financial requirements for the Company's operations; (iii) the satisfaction by the Company of liquidity and solvency tests in the <i>Business Corporations Act</i> (Alberta) and the regulations thereunder; and (iv) any agreements relating to the Company's indebtedness that restrict the declaration and payment of dividends. The payment of dividends is not guaranteed and the amount and timing of any dividends payable is at the discretion of the board of directors of the Company.
Lock-up Agreements:	The Company and Tidewater Midstream have agreed that, subject to certain exceptions, Tidewater Renewables and Tidewater Midstream will, respectively and as applicable, not, directly or indirectly, without the prior written consent of the Joint Bookrunners, issue, or offer, grant any option, warrant or other right to purchase or agree to issue or sell, or otherwise lend, transfer, assign, pledge or dispose of, in a public offering or by way of private placement or otherwise, any equity securities of the Company or other securities convertible into, exchangeable for, or exercisable into Common Shares or other equity securities of the Company, or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing, for a period of 180 days from the date of Closing.
Offering Procedure:	Initial public offering under a long-form base PREP prospectus filed in all provinces and of Canada. Private placement in the U.S. to "qualified institutional buyers" pursuant to Rule 144A of the U.S Securities Act, and internationally as permitted by law. A copy of the amended and restated long-form base PREP prospectus is available on www.sedar.com .
Eligibility:	The Common Shares will be eligible investments for RRSPs, RRIFs, RDSPs, DPSPs, RESPs and TFSA's.
Listing:	The Toronto Stock Exchange ("TSX") has conditionally approved the listing of the Common Shares under the symbol "LCFS". Listing is subject to the Company fulfilling all of the initial listing requirements and conditions of the TSX on or before November 8, 2021.
Joint Bookrunners:	CIBC Capital Markets and National Bank Financial.
Underwriters' Fee:	6.00%, payable upon Closing.
Closing	August 18, 2021.