Management's Discussion and Analysis
For the three and nine month periods ended September 30, 2022

November 9, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the condensed interim consolidated financial and operating results of Tidewater Midstream and Infrastructure Ltd. ("Tidewater Midstream" or the "Corporation") is dated November 9, 2022 and should be read in conjunction with Tidewater Midstream's condensed interim consolidated financial statements as at and for the three and nine month periods ended September 30, 2022 and 2021 (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 Midstream's disclosure under "Non-GAAP and Other Financial 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 and approved by its Board of Directors.

BUSINESS OVERVIEW

Tidewater Midstream and Infrastructure Ltd.'s business objective is to build a diversified energy infrastructure company in the North American crude oil, natural gas, natural gas liquids ("NGL"), and renewable energy value chain. Its strategy is to profitably grow and create shareholder value through the acquisition and development of conventional and renewable energy infrastructure. To achieve its business objective, Tidewater Midstream 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, railcars, export terminals, storage, and various renewable initiatives. To complement its infrastructure asset base, the Corporation also markets crude, refined product, natural gas, NGLs and renewable products and services to customers across North America.

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

Tidewater Midstream's downstream operations refine crude oil feedstock into gasoline and diesel. The Corporation's pipelines and 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 Midstream'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 Midstream's key assets include: the Prince George Refinery ("PGR"), which has an offtake agreement with Cenovus Energy Inc. ("Cenovus"); the Pipestone Gas Plant, which has over 80% of its volumes under take-or-pay contracts; the Brazeau River Complex and Fractionation Facility ("BRC"), which allows producers access to three natural gas egress solutions; Ram River Gas Plant, which is a rail-connected natural gas processing facility; and natural gas storage assets, which are contracted to six investment grade counterparties.

Tidewater Midstream is a majority shareholder in Tidewater Renewables Ltd. ("Tidewater Renewables"), a multi-faceted, energy transition company focusing on the production of low carbon fuels. Tidewater Renewables' common shares are publicly traded on the TSX under the symbol "LCFS".

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

HIGHLIGHTS

- Tidewater Midstream delivered another strong quarter of consolidated Adjusted EBITDA(1) underpinned by strong operational performance and continued strength in refining margins. Prince George refining margins remain some of the highest in North America averaging over $95/bbl during the third quarter. The Corporation's third quarter results demonstrated its focus on operational performance and strengthening its balance sheet. With the Corporation's recent equity raise and related refinancing plan completed, as described below, the Corporation will continue to focus on operational execution and growth opportunities to enhance the sustainability of its business and the development of renewable energy projects.
- Consolidated Adjusted EBITDA increased to $62.1 million in the third quarter of 2022 as compared to $53.1 million in the third quarter of 2021, resulting in an increase of approximately 17% in consolidated Adjusted EBITDA compared to the same period in the prior year. Consolidated net loss and comprehensive net loss was $22.0 million for the third quarter of 2022 as compared to consolidated net income and comprehensive net income of $3.4 million for the third quarter of 2021, with the decrease attributable to non-cash unrealized losses on derivative contracts associated with Tidewater Renewables' hedging program of vegetable oils and refined products.
- Net cash provided by operating activities totaled $67.0 million for the third quarter of 2022, with distributable cash flow attributable to shareholders(1) of $9.2 million equating to a payout ratio(1) of 46%. The decrease in distributable cash flow, as compared to the second quarter of 2022 of $31 million, is a result of the Pipestone Gas Plant planned turnaround that was successfully completed early in the fourth quarter of 2022.
- During the third quarter, the Corporation successfully completed its financing plan to fully fund the repayment of its $125 million senior unsecured notes and $20 million second lien term loan. The notes and second lien repayments were funded through an equity financing, which included a public and private placement offering with total net proceeds of approximately $87 million and draws on the Corporation's credit facility. As part of the financing plan, the Corporation increased the size of its senior credit facility by approximately 30% to $550 million with the facility maturing in the third quarter of 2024.
- Tidewater Renewables, in which Tidewater Midstream holds a 69% interest, continues to deliver strong results and has reached several important construction milestones on its 3,000 bbl/d Hydrogen Derived Renewable Diesel complex (the "HDRD Complex"). Tidewater Renewables' base business continues to exceed previous guidance. As a result, Tidewater Midstream's 2022 consolidated Adjusted EBITDA guidance range has been increased to $235 - $255 million (previously $230 - $245 million) and deconsolidated Adjusted EBITDA remains unchanged at the high end of the previously disclosed $180 - $190 million range.

- The HDRD Complex remains on schedule to commission in the first quarter of 2023 with production ramping through the second quarter of 2023. Consistent with the global economic environment, Tidewater Renewables is experiencing capital cost inflationary pressures, as it resolves supply chain disruptions while adhering to the construction timeline. Tidewater Renewables expects gross capital costs to be approximately 10% higher than the previously announced guidance of $235 million. These incremental capital costs are not expected to have a significant impact on the HDRD Complex's economic returns as renewable diesel and British Columbia Low Carbon Fuel Standard ("BC LCFS") credit prices continue to remain higher than previously forecasted. As a result, the project's economics remain attractive, and payback is expected in less than two years.

(1) Consolidated Adjusted EBITDA, distributable cash flow, deconsolidated net debt and payout ratio used throughout this MD&A are non-GAAP financial measures or ratios. The most directly comparable GAAP measure for Adjusted EBITDA is net income (loss) and for distributable cash flow is net cash provided by operating activities. See the "Non-GAAP and Other Financial Measures" section of this MD&A for information on each non-GAAP financial measure or ratio.

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars except per share and percentage information)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue	**$ 712,127**	$ 433,961	**$ 2,164,116**	$ 1,163,781
Net income (loss) and comprehensive income (loss)	**$ (22,035)**	$ 3,440	**$ 43,740**	$ 75,908
Net income (loss) attributable to shareholders	**$ (18,847)**	$ 1,797	**$ 38,440**	$ 74,473
Basic net income (loss) attributable to shareholders per share	**$ (0.05)**	$ 0.01	**$ 0.11**	$ 0.22
Diluted net income (loss) attributable to shareholders per share	**$ (0.05)**	$ 0.01	**$ 0.09**	$ 0.19
Consolidated Adjusted EBITDA [1]	**$ 62,080**	$ 53,076	**$ 189,408**	$ 156,483
Net cash provided by (used in) operating activities	**$ 67,035**	$ (3,827)	**$ 176,262**	$ 94,030
Distributable cash flow attributable to shareholders [1]	**$ 9,228**	$ 15,834	**$ 62,507**	$ 50,023
Distributable cash flow per common share – basic [1]	**$ 0.02**	$ 0.05	**$ 0.18**	$ 0.15
Distributable cash flow per common share – diluted [1]	**$ 0.02**	$ 0.04	**$ 0.14**	$ 0.12
Dividends declared	**$ 4,228**	$ 3,403	**$ 11,065**	$ 10,188
Dividends declared per common share [1]	**$ 0.01**	$ 0.01	**$ 0.03**	$ 0.03
Total common shares outstanding (000s)	**422,774**	340,314	**422,774**	340,314
Payout ratio [1]	**46%**	21%	**18%**	20%
Total consolidated assets	**$ 2,175,937**	$ 1,925,201	**$ 2,175,937**	$ 1,925,201
Consolidated net debt [1]	**$ 647,038**	$ 643,363	**$ 647,038**	$ 643,363

(1) Consolidated Adjusted EBITDA, distributable cash flow, distributable cash flow per common share, dividends per common share, payout ratio and consolidated net debt are non-GAAP measures. See the "Non-GAAP and Other Financial Measures" section of this MD&A for information on each non-GAAP measure.

DECONSOLIDATED FINANCIAL HIGHLIGHTS

This MD&A presents the financial information of Tidewater Midstream on a consolidated basis unless otherwise noted. In addition to reviewing fully consolidated results, management reviews Adjusted EBITDA and net debt on a deconsolidated basis to highlight Tidewater Midstream's financial results, financial position, leverage, and debt covenants, excluding the impact of the Corporation's ownership in Tidewater Renewables. Tidewater Midstream's distributable cash flow excludes Tidewater Renewables' distributable cash flow to non-controlling interest shareholders.

These metrics are not defined under IFRS and may not be comparable to those used by other entities. See the "Non-GAAP and Other Financial Measures" section of this MD&A for further details.

(in thousands of Canadian dollars except percentage information)	**Three months ended September 30,**		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Deconsolidated Adjusted EBITDA	**$ 45,996**	$ 47,746	**$ 143,685**	$ 151,153
Deconsolidated net debt	**$ 522,727**	$ 609,437	**$ 522,727**	$ 609,437
Ownership in Tidewater Renewables	**69%**	69%	**69%**	69%

Tidewater Renewables Ltd.

As at September 30, 2022, Tidewater Midstream owns 23.9 million common shares of Tidewater Renewables, representing approximately 69% of the issued and outstanding common shares of Tidewater Renewables. The majority ownership position gives the Corporation control over Tidewater Renewables and is therefore consolidated in the Tidewater Midstream financial statements, with the 31% divested interest reflected as a non-controlling interest. As a result, any transactions between Tidewater Midstream and Tidewater Renewables are eliminated on consolidation in the Corporation's financial statements.

RESULTS OF OPERATIONS

Overview

Tidewater Midstream's operations are strategically located in three core areas in the Western Canadian Sedimentary Basin (Deep Basin, Montney and Central Alberta) as well as in central British Columbia. Tidewater Midstream views its business as one vertically integrated set of operations which consists of refining operations, renewable fuels, natural gas processing, NGL extraction, natural gas storage, crude oil and NGL terminalling infrastructure and marketing to end-use markets through transmission pipelines and rail systems.

Financial overview

(in thousands of Canadian dollars except per share information)	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenue	**$ 712,127**	$ 433,961	**$ 2,164,116**	$ 1,163,781
Operating expenses	**$ 658,704**	$ 392,380	**$ 1,990,188**	$ 1,040,483
General and administrative	**$ 9,147**	$ 5,922	**$ 27,820**	$ 18,356
Share-based compensation	**$ 3,411**	$ 1,584	**$ 10,710**	$ 4,640
Depreciation	**$ 20,793**	$ 19,975	**$ 60,809**	$ 61,213
Finance costs and other	**$ 17,345**	$ 16,644	**$ 51,321**	$ 56,998
Realized gain on derivative contracts	**$ 13,019**	$ 13,468	**$ 37,505**	$ 44,201
Unrealized gain (loss) on derivative contracts	**$ (38,677)**	$ (9,392)	**$ 10,206**	$ 44,407
Gain (loss) on sale of assets	**$ (7,149)**	$ 1,548	**$ (9,399)**	$ 26,258
Income from equity investments	**$ 3,918**	$ 2,406	**$ 2,355**	$ 1,694
Transaction costs	**$ 2,878**	$ 908	**$ 3,687**	$ 2,528
Deferred income tax expense (recovery)	**$ (7,005)**	$ 1,138	**$ 16,508**	$ 20,215
Net income (loss) attributable to shareholders	**$ (18,847)**	$ 1,797	**$ 38,440**	$ 74,473
Basic net income (loss) attributable to shareholders per share	**$ (0.05)**	$ 0.01	**$ 0.11**	$ 0.22
Diluted net income (loss) attributable to shareholders per share	**$ (0.05)**	$ 0.01	**$ 0.09**	$ 0.19

Revenue

Revenue increased by 64% to $712.1 million in the third quarter of 2022 compared to $434.0 million for the same period of 2021, primarily driven by stronger commodity prices and higher refining margins that averaged in excess of $95/bbl during the quarter. Commodity prices have declined from the second quarter of 2022, partially due to a moderate reduction in macroeconomic demand and increasing interest rates.

Net throughput volumes at Tidewater Midstream's natural gas processing and extraction facilities averaged approximately 421 MMcf/day during the third quarter of 2022, a 3% decrease as compared to 432 MMcf/day for the same period of 2021, primarily as a result of planned turnaround outages at the Corporation's Pipestone Gas Plant. The turnaround, which occurs every few years, led to lower utilization of the available capacity at the facility.

During the nine month period ended September 30, 2022, the Corporation generated revenue of $2,164.1 million, an increase of 86% compared to $1,163.8 million for the same period in 2021. The period-over-period increase was primarily due to stronger commodity pricing and PGR refining margins. During the third quarter of 2022, the Corporation's Pipestone Gas Plant processed volumes in excess of 100 MMcf/d, that prior to the September turnaround were above forecast volumes.

Net throughput volumes at Tidewater Midstream's natural gas processing and extraction facilities averaged approximately 431 MMcf/day during the nine month period ended September 30, 2022, a 1% decrease compared to 434 MMcf/day for the same period of 2021, primarily as a result of 2022 planned turnaround outages at the BRC, the Pipestone, and the Ram River gas plants.

Tidewater Midstream engages in liquids blending and operates facilities at Brazeau, Acheson, Pipestone 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 Midstream takes advantage of the price and quality differentials between various product streams. Tidewater Midstream is well-positioned to serve NGL and crude oil markets due to its trucking and rail logistics infrastructure that allow customers to capture enhanced pricing to improve netbacks on their products.

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

Operating expenses

Operating expenses for the third quarter of 2022 were $658.7 million, an increase of 68% compared to $392.4 million for the third quarter of 2021. Operating expenses for the nine month period ended September 30, 2022 increased 91% to $1,990.2 million compared to $1,040.5 million for the same period in 2021. The increase was the result of higher feedstock costs and higher commodity prices for marketing and extraction purchases. Higher power, utility and fuel prices at the Corporation's facilities also contributed to the operating expense increase.

The increased cost of feedstock purchases and power usage was partially offset by realized hedging gains related to the Corporation's risk management policy that helps minimize exposure to fluctuations in commodity prices.

General and administrative

General and administrative ("G&A") expenses for the three months ended September 30, 2022 were $9.1 million, compared to $5.9 million for the same period of 2021. During the nine month period ended September 30, 2022 G&A expenses were $27.8 million compared to $18.4 million for the same period of 2021. The differences in G&A expenses between the 2022 and 2021 periods were primarily due to higher employee costs related to additional employees required to support operations, including Tidewater Renewables, and higher short-term incentive costs incurred during the three and nine month periods ended September 2022.

Share-based compensation

Tidewater Midstream incurred share-based compensation expenses of $3.4 million for the three months ended September 30, 2022, compared to $1.6 million for the three months ended September 30, 2021. During the nine month period ended September 30, 2022 share-based compensation expenses were $10.7 million compared to $4.6 million for the same period of 2021. The increase is attributable to long-term incentive grants issued to employees and the increase in the Corporation's average share price in 2022.

Depreciation

Depreciation for the three months ended September 30, 2022 was $20.8 million, compared to $20.0 million for the same period of 2021. During the nine month period ended September 30, 2022, depreciation was $60.8 million compared to $61.2 million for the same period of 2021. Depreciation remains consistent period over period.

Finance costs and other

Finance costs and other for the three months ended September 30, 2022 were $17.3 million, compared to $16.6 million for the same period of 2021. The increase was the result of increased draws on Tidewater Renewables' credit facility used to fund the construction of the HDRD Complex. During the nine month period ended September 30, 2022, finance costs and other were $51.3 million, compared to $57.0 million for the same period of 2021. The decrease period over period was the result of the Corporation's repayments of its consolidated net debt through the respective equity raises by Tidewater Midstream in August 2022 and the initial public offering of Tidewater Renewables in August 2021.

Realized gain on derivative contracts

The Corporation uses physical and financial forward contracts to protect operating income and the value of its crude oil, natural gas, NGL and refined product inventories against volatility in commodity prices. Overall, the Corporation hedges 30% to 100% of its commodity price exposure outside of PGR.

Realized gains on derivative contracts for the three months ended September 30, 2022 were $13.0 million compared to a realized gain of $13.5 million for the same period in 2021. The realized gain on derivative contracts for the nine months ended September 30, 2022 was $37.5 million compared to a realized gain of $44.2 million in the comparative period of 2021. The realized gains recognized for the 2021 and 2022 periods were predominantly driven by crude oil, refined product and power hedges that were settled during the period. Gains were partially offset by the cost of sales the Corporation had previously locked in on its marketing margins.

Unrealized gain (loss) on derivative contracts

Unrealized non-cash loss on derivative contracts for the three months ended September 30, 2022 was $38.7 million, compared to a loss of $9.4 million for the three months ended September 30, 2021. The increase in the loss is primarily due to volatility in vegetable oil derivative contracts in Tidewater Renewables. During the nine months ended September 30, 2022, the Corporation incurred an unrealized gain on derivative contracts of $10.2 million compared to $44.4 million during the same period in 2021. The decrease in the gain is primarily due to the rising commodity price environment throughout 2021 and contracts maturing in the periods.

Most of the Corporation's unrealized gains on derivative contracts relate to its long-term contracts, with terms of up to three years in the future, to protect a portion of its feedstock supply cost at PGR. Fair values of these derivative contracts fluctuate depending on commodity prices and can impact profit in the form of realized or unrealized gains and losses, offset by the cost of physical inventories, that can significantly change period over period. Tidewater Renewables has entered into forward financial contracts for vegetable oils and refined products to manage the commodity price risk related to its co-processing and renewable diesel operations.

At September 30, 2022, the fair value of the Corporation's derivative contracts was a net liability of $9.9 million, of which $10.5 million is classified as long-term. This compares to a total net liability of $20.1 million as at December 31, 2021.

The fair value of the derivative contract asset or liability is the estimated value to settle the outstanding contracts at a point in time. Accordingly, the unrealized gains or losses on these financial instruments are recorded directly to the statement of net income (loss) and can fluctuate materially quarter-over-quarter with price volatility. In general, the increase or decrease in the fair value of the derivative contracts is intended to mitigate fluctuations in the value of inventories and future commitments and protect operating income. 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 eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices as compared to the valuation assumptions. The Corporation's risk management policy is designed to limit fluctuations in the overall business where gains and losses on derivative contracts are inherently offset in the Corporation's asset base.

Gain (loss) on sale of assets

During the third quarter of 2022, the Corporation disposed of certain non-core assets for a loss of approximately $7.1 million. During the nine month period ended September 30, 2022, the Corporation recognized losses of $9.4 million disposing of non-core assets, compared to a gain of $26.3 million for the same period of 2021. The variance is attributable to the Corporation's disposition of its 50% interest in the Pioneer Pipeline on June 30, 2021 where a gain of approximately $30 million was recognized on this disposition.

Transaction costs

Transaction costs for the three months ended September 30, 2022 were $2.9 million compared to $0.9 million for the same period of 2021. During the nine month period ended September 30, 2022 transaction costs were $3.7 million compared to $2.5 million for the same period of 2021. Transaction costs in 2022 related to the Corporation's refinancing and business development activities.

Income from equity investments

The Pipestone Gas Storage facility successfully met customer park-and-loan commitments over the third quarter of 2022, with the facility optimized for the given in-situ inventory. The Alberta natural gas market in the third quarter of 2022 was characterized by high cash price volatility, caused by high field receipts and NGTL maintenance events leading to significant injection and extrinsic value generation opportunities.

Deferred income tax expense (recovery)

Deferred income tax recovery for the three months ended September 30, 2022 was $7.0 million, compared to an expense of $1.1 million for the same period of 2021. The decrease in expense is attributable to a decrease in net income before tax for the three months ended September 30, 2022, compared to 2021. During the nine month period ended September 30, 2022, deferred income tax expenses were $16.5 million, compared to $20.2 million for the same period of 2021. The decreased expense is attributable to a decrease in the earnings before tax for the nine months ended September 30, 2022, compared to 2021.

Net income (loss) attributable to shareholders

During the three months ended September 30, 2022, the Corporation generated net loss attributable to shareholders of $18.8 million, compared to a net income attributable to shareholders of $1.8 million for the same period of 2021. The reduction in net income was the result of an increase in non-cash unrealized losses on derivative contracts and realized losses on sale of assets.

Net income attributable to shareholders for the nine months ended September 30, 2022 was $38.4 million compared to net income attributable to shareholders of $74.5 million for the same period of 2021. The decrease in net income was the result of an increase in non-cash unrealized losses on derivative contracts and realized losses on sale of assets in 2022, compared to a realized gain on the sale of the Pioneer Pipeline in 2021.

OUTLOOK AND CORPORATE UPDATE

Tidewater Midstream delivered another strong quarter of consolidated Adjusted EBITDA as the Pipestone Gas Plant and PGR continue to run at or near design capacity. The Corporation has seen consistent PGR refining margins during the fourth quarter, as compared to the third quarter.

Tidewater Midstream's 2022 consolidated Adjusted EBITDA is expected to exceed previous guidance as a result of Tidewater Renewables' base business, with consolidated Adjusted EBITDA to be $235 - $255 million and deconsolidated Adjusted EBITDA to be at the high end of the previously disclosed ranges of $180 - 190 million. The revised outlook for 2022 primarily reflects stronger year-to-date results of Tidewater Renewables.

Tidewater Midstream plays a key role in Canada's energy transition and is well positioned to leverage its existing assets to take advantage of opportunities including renewable fuels, existing carbon capture assets and energy transition infrastructure.

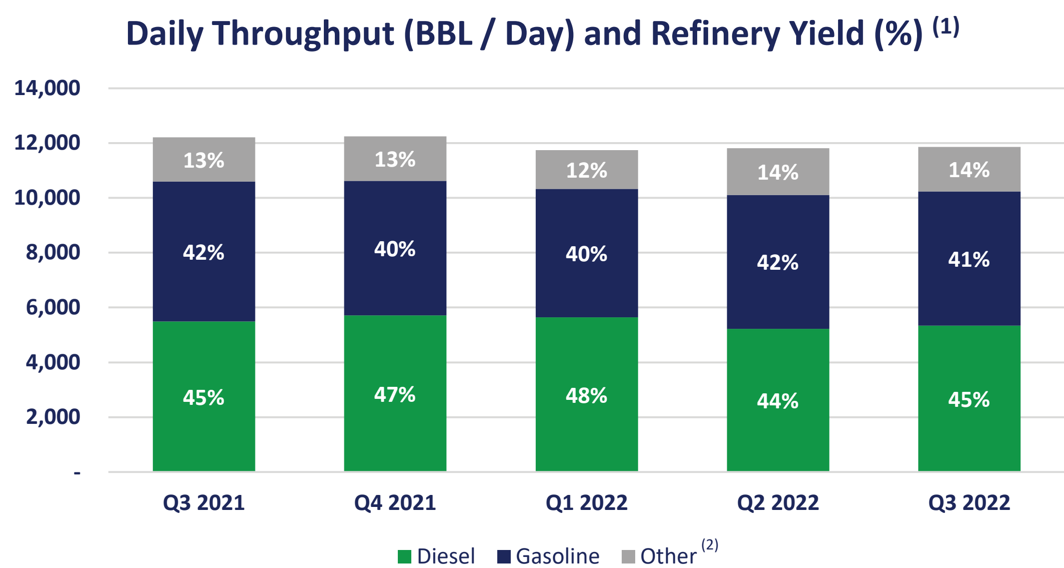
Prince George Refinery

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

PGR has significant strategic advantages, compared to other refineries in western Canada, as it is situated in a unique supply orbit within the BC central/northern interior market. Barriers to entry include logistical constraints given high transport costs, lack of offloading facilities in the area and a growing social/political reluctance to sanction similar greenfield projects within the province of BC. Additionally, the refinery supplies the majority of the region's fuel demand, which is comprised of major local industries such as forestry, mining, and oil and gas.

During the third quarter of 2022, total throughput was approximately 11,860 bbl/day, consistent with the previous quarter. Throughput has remained consistent with the previous two quarters as PGR nears the end of its 4-year turnaround cycle and operational constraints begin to limit some unit performance. PGR is scheduled for a major maintenance turnaround in the second quarter of 2023.

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



(1) Refinery yield includes crude, intermediates, and canola oil.
(2) Other refers to heavy fuel oil (HFO), LPG and feedstock consumed to fuel the refinery.

Tidewater Midstream'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. Prince George refining margins averaged over $95/bbl during the quarter, a 5% decrease from multi-year highs in the second quarter of 2022 of over $100/bbl. Consistent with the marginal decrease in the market Prince George crack spread, PGR realized lower margins on both gasoline and diesel as compared to the second quarter of 2022. These lower margins are partially offset by increased gasoline and diesel sales as compared to both the previous quarter of 2022 and the third quarter of 2021 due to increased demand in the Prince George region.

Tidewater Midstream continues to pursue numerous low capital and high rate of return debottleneck and optimization opportunities within its downstream business unit. In August 2021, Tidewater Renewables commissioned its canola co-processing project and began processing canola feedstock which yields both renewable gasoline and renewable diesel. Tidewater Renewables continues to test alternative low-cost feedstocks, including beef tallow, through its Fluid Catalytic Cracking and Canola Co-Processing Projects with initial encouraging results.

Pipestone Gas Plant

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

Prior to its turnaround in September, the Pipestone Gas Plant processed volumes of 104 MMcf/day in the third quarter of 2022, a 6% increase from the third quarter of 2021 and an increase of 3% from the second quarter of 2022. Facility availability for the second quarter of 2022 averaged 98% prior to turnaround, a 5% increase from the third quarter of 2021, and a 2% increase from the second quarter of 2022. The Pipestone Gas Plant's turnaround commenced late in the third quarter and was successfully completed early in the fourth quarter of 2022. The local Montney formation remains very active, and the plant remains fully contracted with over 80% committed capacity on take-or-pay arrangements.

Brazeau River Complex and Fractionation Facility

The BRC is a core asset for Tidewater Midstream, offering a full suite of services to producers, including C2, C3, C4 and C5 pipeline connections, NGL fractionation capacity, sweet and sour deep-cut gas processing capacity, truck loading and offloading facilities, natural gas storage facilities, two natural gas egress solutions and natural gas storage access.

The Brazeau River fractionation facility was able to maintain steady operations during the third quarter of 2022 by maintaining stable plant production and truck in volumes. The fractionation facility utilization averaged 74%, an 8% increase from the third quarter of 2021 and a 7% increase from the second quarter of 2022. The fractionation facility continues to serve as a key asset for Tidewater Midstream's NGL marketing business.

The BRC gas processing facility had an average throughput of 156 MMcf/day for the third quarter of 2022, an increase of 17% relative to the third quarter of 2021. Tidewater Midstream continues to look for opportunities to increase third-party throughput by working with producers to improve netbacks that would increase the utilization of the BRC's facilities.

In 2022, Alberta Energy launched a competition to provide carbon sequestration services across the province of Alberta. Tidewater Midstream was successful and was awarded two evaluation permits for carbon sequestration, one in the Ram River area and one in the Brazeau River area. If the evaluation demonstrates that the area is suitable for permanent carbon sequestration, Tidewater Midstream will be able to apply for the right to inject captured carbon dioxide.

CAPITAL PROGRAM

Tidewater Midstream's 2022 capital program focuses on small-scale optimization projects along with its renewable initiatives. Tidewater Midstream continues to evaluate and execute smaller capital projects in the $5 million to $25 million capital cost range with strong short-term returns on investment.

During 2022 the Corporation safely and successfully completed three large planned turnarounds at its Ram River Gas Plant, Pipestone Gas Plant and at the BRC. The Corporation has an upcoming turnaround occurring in the second quarter of 2023 for PGR. Tidewater Midstream expects full year 2022 deconsolidated maintenance capital expenditures to be approximately $40 – $45 million (previously $35 - $40 million), slightly higher than previously forecasted as a result of inflationary pressures.

During the third quarter of 2022, Tidewater Renewables made considerable progress on the construction of its 3,000 bbl/day HDRD Complex, including the completion of construction on multiple refinery modules.

SUMMARY OF QUARTERLY RESULTS

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

(In thousands of Canadian dollars, except per share information)	**Q3 2022**	Q2 2022	Q1 2022	Q4 2021
Revenue	**$ 712,127**	$ 793,565	$ 658,424	$ 534,580
Net income (loss) attributable to shareholders [(1)]	**(18,847)**	16,067	41,220	(2,937)
Net income (loss) per share attributable to shareholders – basic	**(0.05)**	0.05	0.12	(0.01)
Net income (loss) per share attributable to shareholders – diluted [(1)]	**(0.05)**	0.04	0.10	(0.01)
Consolidated Adjusted EBITDA [(1)]	**$ 62,080**	$ 69,922	$ 57,406	$ 53,900

(1) Refer to "Non-GAAP and Other Financial Measures".

(In thousands of Canadian dollars, except per share information)	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	$ 433,961	$ 369,781	$ 360,039	$ 274,913
Net income (loss) attributable to shareholders [(1)]	1,797	64,280	8,396	7,075
Net income (loss) per share attributable to shareholders – basic [(1)]	0.01	0.19	0.02	0.02
Net income (loss) per share attributable to shareholders – diluted [(1)]	0.01	0.16	0.02	0.02
Consolidated Adjusted EBITDA [(1)]	$ 53,076	$ 52,294	$ 51,113	$ 48,778

(1) Refer to "Non-GAAP and Other Financial Measures".

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

- volatility in commodity market prices impacting margins, partially offset by the Corporation's risk management strategy;
- higher power prices and inflation;
- increasing producer drilling and activity;
- scheduled turnarounds at Ram River and BRC in the second quarter, and Pipestone during the third quarter, reducing throughput volumes during these periods;
- reduced finance costs, due to refinancing activities in 2022;
- strong refining margins at PGR; and
- large realized gains and unrealized losses on derivative contracts due to volatile commodity prices.

During 2021, Tidewater Midstream's results were impacted by the following factors and trends:

- higher commodity prices driving increases in revenues and operating expenses;
- increased natural gas prices and increased producer activity;
- strong crack spreads at PGR; and
- large realized and unrealized gains on derivative contracts due to significant recovery in forecasted crude prices.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity Sources

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

The Corporation had the following contractual obligations as at September 30, 2022 and December 31, 2021:

	September 30, 2022		December 31, 2021	
(in thousands of Canadian dollars)	Less than one year	Greater than one year	Less than one year	Greater than one year
Trade payables and other[1]	**$ 411,457**	**$ -**	$ 309,649	$ -
Derivative contracts	**13,284**	**26,548**	19,532	12,991
Dividend payable	**4,228**	**-**	3,416	-
Interest payable	**-**	**-**	1,352	-
Lease liabilities and other [2]	**49,167**	**178,343**	48,352	205,181
Bank debt [2]	**15,550**	**569,129**	20,000	474,640
Notes payable [2]	**-**	**-**	125,000	-
Convertible debentures [3]	**-**	**75,000**	-	75,000
	$ 493,686	**$ 849,020**	$ 527,301	$ 767,812

(1) Included in trade payables and other is an amount of $24.8 million (December 31, 2021 - $24.8 million) secured by its crude oil and refined product inventory. The Corporation, at its option, may renew the arrangement every four months at a rate of 8% per annum, or settle the obligation for $24.8 million. The next renewal period is from January 2023 to May 2023.

(2) Amounts represent the expected undiscounted cash payments related to leases.

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

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 Senior Credit Facilities are not cross-collateralized, are not subject to cross defaults nor will Tidewater Midstream and Tidewater Renewables be consolidated for the purposes of covenant testing or availability.

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.

Total aggregate availability under Tidewater Midstream's Senior Credit Facility as at September 30, 2022 is the Corporation's $550 million Senior Credit Facility. The Corporation is required to maintain availability under the amended Senior Credit Facility of not less than $50 million and the facility matures on August 18, 2024. Total availability under Tidewater Renewables' Senior Credit Facility is $150 million and matures on August 18, 2024. The Corporation's consolidated borrowing capacity as at September 30, 2022 is $700 million.

Tidewater Midstream is required to maintain certain deconsolidated financial covenants on a trailing-quarterly basis including a consolidated debt to adjusted EBITDA ratio of less than or equal to 4.5:1; consolidated first lien senior debt to adjusted EBITDA ratio of less than or equal to 3.5:1; and adjusted EBITDA to interest coverage ratio greater than or equal to 2.5:1. The calculations for each of these ratios are based on specific definitions in the agreements governing the Senior Credit Facility, are not in accordance with GAAP, and cannot be easily calculated by referring to the Corporation's consolidated financial statements. For purposes of the covenant calculation, Tidewater Midstream's convertible debentures are excluded from the calculations. At September 30, 2022, the Corporation was in compliance with its financial covenants, reporting consolidated debt to adjusted EBITDA ratio of 2.9:1 (December 31, 2021 – 3.5:1), consolidated first lien senior debt to adjusted EBITDA ratio of 2.9:1 (December 31, 2021 – 2.6:1) and adjusted EBITDA to interest coverage ratio of 4.7:1 (December 31, 2021 – 3.8:1).

On August 16, 2022, the Corporation closed a distribution of 48.4 million units ("Units") at a price of $1.20 per Unit (the "Offering"), for gross proceeds of $58.1 million. Each Unit consists of one common share of the Corporation (a "Unit Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Corporation (a "Warrant Share") at a price of $1.44 per Warrant Share until August 16, 2024. Underwriter commissions of $2.9 million were 5% of the total gross proceeds raised from the Offering.

Concurrently with the Offering and under the same terms as the Offering, Birch Hill Private Equity Partners Fund V, and certain affiliated entities controlled by Birch Hill, (collectively, "Birch Hill"), Kicking Horse Capital Inc., as manager of KHC SVP I LP, or entities controlled by it (collectively, "Kicking Horse") and certain members of management purchased $34.5 million Units of the Corporation at a price of $1.20 per unit, comprised of one Unit Share and one-half of one Warrant on a private placement basis (the "Concurrent Private Placement"). In addition, each subscriber was granted an over-allotment option, which was partially exercised on September 16, 2022 and increased total gross proceeds of the Concurrent Private Placement to $38.1 million. Total fees paid to Birch Hill and Kicking Horse under the terms of the Concurrent Private Placement were $3.6 million.

On September 22, 2022, the Tidewater Renewables' Senior Credit Facility was amended (the "Amendment") to increase certain financial covenants. The amended financial covenants are calculated on a trailing-quarterly (annualized) basis and include consolidated debt (being Tidewater Renewables' Senior Credit Facility and Tidewater Renewables' RNG credit facility (the "RNG Credit Facility") to adjusted EBITDA of less than or equal to 4.0:1; first lien senior debt (being, Tidewater Renewables' Senior Credit Facility but excluding the RNG Credit Facility) to adjusted EBITDA of less than or equal to 3.0:1; and an adjusted EBITDA to interest coverage ratio greater than or equal to 2.5:1. Upon the closing of the AIMCo Facility, the amendment provided a further increase to the financial covenants, including consolidated debt to adjusted EBITDA of less than or equal to 4.5:1 and first lien senior debt to adjusted EBITDA of less than or equal to 3.5:1.

The calculations for each of these ratios are based on specific definitions in the agreements governing the Tidewater Renewables' Senior Credit Facility, are not in accordance with GAAP, and cannot be easily calculated by referring to the Corporation's financial statements. At September 30, 2022, Tidewater Renewables was in compliance with its financial covenants, reporting consolidated debt to adjusted EBITDA ratio of 2.5:1 (December 31, 2021 – 1.5:1), first lien senior debt to adjusted EBITDA ratio of 2.2:1 (December 31, 2021 – 1.5:1) and adjusted EBITDA to interest coverage ratio of 10.0:1 (December 31, 2021 – 18.8:1).

The Corporation is also subject to customary restrictions on its Senior Credit Facilities which include restrictions on the granting of security, incurring indebtedness and the sale of its assets. As at, and for the period ending September 30, 2022, the Corporation is in compliance with all debt covenants.

Tidewater Renewables, through a wholly owned subsidiary, has entered into a separate credit facility with a Canadian bank. The facility is secured by a first charge over Tidewater Renewables' equity investment in Rimrock Cattle Company Ltd. ("RCC") and its ownership interest in Rimrock Renewables Limited Partnership, as well as a subordinated charge over Tidewater Renewables' remaining assets. Total aggregate availability under the RNG Credit Facility is $26.3 million and matures on September 29, 2023. The RNG Credit Facility can be drawn in Canadian dollars and bears interest at the agent bank's prime lending rate or Canadian Dollar Offered Rate rates, plus applicable margins.

On October 24, 2022, Tidewater Renewables announced the closing of a $150.0 million five-year senior secured second lien credit facility (the "AIMCo Facility") with an affiliate of Alberta Investment Management Corporation ("AIMCo"). The AIMCo Facility initially bears interest of 6.50% per annum and increases by 37.5 basis points in year four and year five and is subject to certain inflation escalators. In conjunction with the AIMCo Facility issuance, Tidewater Renewables issued 3.375 million warrants to AIMCo. Each warrant entitles the holder to purchase one common share of Tidewater Renewables at a price of $14.84, subject to certain adjustments, for a term of five years. A portion of he proceeds from the AIMCo Facility were used to pay and extinguish the RNG Credit Facility.

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

The most significant exposure faced by the midstream business is related to declines in production volumes. With Tidewater Midstream's facilities located in significant natural gas supply areas, high barriers to entry of new participants and current and future take-or-pay contracts and natural gas storage facilities, net cash provided by operating activities is anticipated to remain stable and be sufficient to support operations, fund sustaining capital expenditures and generate distributable cash flow. The financial performance of Tidewater Midstream's refining operations is impacted by the margin between refined product prices and the prices of refinery feedstock. Refining margins are subject to seasonal factors as production changes to match seasonal demand.

Due to the nature of the energy midstream industry, budgets are regularly reviewed with respect to the success of the expenditures and other opportunities that become available to the Corporation.

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.

Credit Rating

On August 25th, 2022, Standard & Poor's ("S&P") raised the Corporation's issuer credit rating to "B" from "CCC" as a result of Tidewater Midstream refinancing its senior unsecured notes. This outlook remains stable.

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

A credit rating downgrade could limit the Corporation's access to private and public credit markets in the future and increase the costs of borrowing. The credit rating assigned by the rating agency is not a recommendation to purchase, hold or sell Tidewater Midstream 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 and nine months ended September 30, 2022 and 2021 from continuing operations:

Cash flows provided by (used in)	**Three months ended September 30,**				**Nine months ended September 30,**			
(in thousands of Canadian dollars)		**2022**		2021		**2022**		2021
Operating activities	**$**	**67,035**	$	(3,827)	**$**	**176,262**	$	94,030
Financing activities	**$**	**(18,494)**	$	18,473	**$**	**(32,880)**	$	(138,263)
Investing activities	**$**	**(55,425)**	$	(16,791)	**$**	**(146,555)**	$	60,078

Net Cash (Used in) Provided by Operating Activities

Net cash provided by operating activities was $67.0 million for the three months ended September 30, 2022, compared to net cash used in operating activities of $3.8 million for the three months ended September 30, 2021. The increase is attributable to higher operating income in the third quarter of 2022.

For the nine months ended September 30, 2022, net cash provided by operating activities was $176.3 million compared $94.0 million for the same period in 2021. The increase is attributable to higher operating income during the nine months ended September 30, 2022.

The increase in operating cash flows reflects the supportive commodity pricing environment as well as strong utilization rates at PGR and the Pipestone Gas Plant.

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

Net Cash Provided by (Used in) Financing Activities

Net cash used in financing activities was $18.5 million for the three months ended September 30, 2022, compared to net cash provided by financing activities of $18.5 million for the three months ended September 30, 2021. The Corporation's senior unsecured notes and second lien repayments were funded through an equity financing, which included a public and private placement offering with total net proceeds of approximately $87 million and draws on the Corporation's credit facility.

Net cash used in financing activities was $32.9 million for the nine months ended September 30, 2022, compared to net cash used in financing activities of $138.3 million for the nine months ended September 30, 2021. The decrease in cash used in financing activities for the nine months ended September 30, 2022 is predominantly due to repayments of the Corporation's Senior Credit Facility following the closing of the Pioneer Pipeline sale in 2021 and the initial public offering of Tidewater Renewables, offset by advances of bank debt predominantly used for the construction of the HDRD Complex in 2022.

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

Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities was $55.4 million and $146.6 million for the three and nine months ended September 30, 2022 respectively, compared to net cash used in investing activities of $16.8 million and net cash provided by investing activities of $60.1 million for the three and nine months ended September 30, 2021. The change over the three and nine months periods ending September 30, 2022 was primarily a result of expenditures paid on the construction of Tidewater Renewables' HDRD Complex, the planned turnarounds during 2022, and the sale of the Pioneer Pipeline closing during the second quarter of 2021.

Capital Expenditures

The following table summarizes acquisitions, growth and maintenance capital expenditures for the three and nine months ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Growth capital [(1)]	**$ 66,708**	$ 28,197	**$ 196,732**	$ 58,192
Maintenance capital [(1)]	**22,693**	6,502	**42,069**	14,123
Total additions to property, plant and equipment as per statement of cash flows	**$ 89,401**	$ 34,699	**$ 238,801**	$ 72,315

(1) See the "Non-GAAP and Other Financial Measures" section of this MD&A. Growth capital is presented gross of capital emission credits awarded.

Growth Capital

Growth capital expenditures for the third quarter of 2022 were $66.7 million, compared to $28.2 million for the third quarter of 2021. During the nine months ended September 30, 2022 growth capital was $196.7 million compared to $58.2 million for the nine months ended September 30, 2021.

Through Tidewater Renewables, the Corporation continued the construction of its HDRD Complex during the third quarter of 2022. The gross capital costs were partially offset by $34.3 million of BC LCFS credits earned during the nine months ended September 30, 2022.

Other growth capital has been focused on preliminary engineering studies, small-scale optimization, debottlenecking and blending projects.

Maintenance Capital

Tidewater Midstream places a high priority on the maintenance and upgrading of its assets to provide safe and reliable services to its customers. Maintenance capital expenditures for the three months ended September 30, 2022 were $22.7 million, compared to $6.5 million for the same period of 2021. Capital maintenance expenditures for the nine months ended September 30, 2022 and 2021 were $42.1 million and $14.1 million, respectively. The increase in maintenance capital is the result of planned turnaround programs at the BRC, the Pipestone, and the Ram River Gas Plants.

CONTRACTUAL LIABILITIES AND COMMITMENTS

At September 30, 2022, the Corporation had contractual liabilities and commitments related to leased (right-of-use) assets, energy service fees, firm transportation contracts, investment purchase commitments and long-term debt. Lease liabilities relate to office leases for the Corporation's office space, rail tank cars, vehicles, field buildings, pipelines, various equipment leases and energy service arrangements. The firm transportation contracts relate to firm service contracts with TC Energy Corporation, Alliance Pipeline Ltd., Nova Gas Transmission Ltd., Pembina Pipeline Corporation, and Capline Pipeline Company LLC, ranging from one to ten years. The investment purchase commitment relates to the RNG LP agreement entered into by Tidewater Renewables.

The Corporation had the following contractual obligations and commitments, including those recognized as leases, as at September 30, 2022:

(in thousands of Canadian dollars)	Within one year	After one year but not more than five years	More than five years	Total
Lease liabilities	$ 49,167	$ 102,202	$ 76,141	$ 227,510
Bank debt [(1)]	15,222	562,986	-	578,208
Convertible debentures interest [(2)]	4,125	4,136	-	8,261
Convertible debentures repayment [(2)]	-	75,000	-	75,000
Investment purchase commitment[(3)]	7,500	-	-	7,500
Firm transportation contracts [(4)]	46,417	191,407	261,795	499,619
Total	**$ 122,431**	**$ 935,731**	**$ 337,936**	**$ 1,396,098**

(1) Tidewater Renewables' RNG Credit Facility is due on September 29, 2023 and was repaid subsequent to September 30, 2022. The Senior Credit Facilities mature on August 18, 2024, dependent on certain conditions as described in "Financing Transactions".
(2) Fixed interest payments on convertible debentures. The convertible debentures mature on September 30, 2024.
(3) Tidewater Renewables has committed to purchase additional common shares in its joint arrangement, RCC.
(4) Fixed transportation contracts are presented gross of flow-through operating cost recoveries from customers.

On July 4, 2022, the Corporation entered into an agreement to acquire the remaining 50% partnership interest in the Brazeau Partnership for a purchase price of $10.5 million if the transaction closes prior to December 31, 2022. The Corporation has paid $6.0 million towards the acquisition at September 30, 2022.

On July 4, 2022, the Pipestone Partnership limited partnership agreement was amended to revise the Corporation's call option rights.

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. On occasion, the Corporation issues letters of credit in connection with transactions in which the counterparty requires such security. The Corporation has $43.9 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 a separate facility from the Senior Credit Facility.

OUTSTANDING EQUITY

At November 9, 2022, Tidewater Midstream had the following outstanding common shares, RSUs, DSUs and options:

(In thousands)	
Common shares	423,025
RSUs	14,226
DSUs	743
Options	15,812

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are in the normal course of business and are recorded at market rates. The Corporation contract operates, on a cost recovery basis, the natural gas storage assets in its equity accounted investments.

Costs related to contract operating are incurred in the normal course of business and are not accounted for as revenue or expenses in the Corporation's financial statements, but rather flow-through cost recoveries recorded in accounts receivable. Given the seasonality of natural gas storage revenues, the cost recovery balances will fluctuate through the summer and winter storage seasons.

The transactions with related parties during the three and nine months ended September 30, 2022 are summarized in the following table:

(in thousands of Canadian dollars)	**Three months ended September 30, 2022**		**Nine months ended September 30, 2022**	
Related Party	Revenue	Operating expenses	Revenue	Operating expenses
Tidewater Brazeau Gas Storage LP (1)	**$ 441**	**$ 2,077**	**$ 683**	**$ 4,783**

(1) Tidewater Brazeau Gas Storage LP is a joint arrangement partnership. The transactions involving Tidewater Brazeau Gas Storage LP consist of natural gas processing fee revenue, natural gas storage fee expenses and commodity purchases.

The Concurrent Private Placement and related commitment fees to Birch Hill, as discussed in "Liquidity and Capital Resources", are considered related party transactions and are under the same terms of the Offered Units to the public.

The related party balances included in the consolidated statement of financial position as at September 30, 2022 are summarized in the following table:

(in thousands of Canadian dollars)	As at September 30, 2022	
Related Party	Accounts receivable	Accounts payable
Tidewater Brazeau Gas Storage LP (1)	$ 20,139	$ -
Tidewater Pipestone Infrastructure LP (2)	10,457	-
Total	**$ 30,596**	**$ -**

(1) Accounts receivable consist of flow-through expenditures as operator of the facility, on a cost recovery basis.

(2) Tidewater Pipestone Infrastructure LP is a joint arrangement partnership. Accounts receivable consist of flow-through expenditures as operator of the facility, on a cost recovery basis.

For the nine months ended September 30, 2022, Tidewater Midstream had no other transactions with related parties, except those pertaining to contributions to Tidewater Midstream's long-term incentive plans and remuneration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

Tidewater Midstream's financial instruments consist of cash, accounts receivable, derivative contracts, investments, trades payable and other, dividends payable, interest payable, bank debt, notes payable and convertible debenture liability. Tidewater Midstream 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 Midstream'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 Midstream evaluates and monitors the financial strength of its customers in accordance with its credit policy. Financial assurances are 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. For the three and nine months ended September 30, 2022, revenue attributable to Cenovus, through the PGR offtake agreement, accounted for approximately 36% of the Corporation's total revenue. Revenue earned from Cenovus for the three and nine months ended September 30, 2022 was $259.7 million and $712.8 million, respectively. The Corporation believes the credit risk associated with Cenovus is minimal.

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

Such financial 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 loss (gain) on the consolidated statement of net income (loss) and comprehensive income (loss).

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 Midstream are described within the Corporation's Annual Information Form ("AIF"), an electronic copy of which is available on Tidewater Midstream's SEDAR profile at www.sedar.com. In addition, the Corporation's financial risks are discussed in note 20 of the Condensed Interim Consolidated Financial Statements.

The Corporation continues to monitor inflationary pressures. Although central banks have increased short term lending rates in order to combat inflation, there can be no assurance that any action to mitigate inflationary cycles will be effective. Significant inflationary pressures over an extended period of time could negatively impact the Corporation's costs and operating results.

The Corporation has not been directly impacted by the current geopolitical events in eastern Europe. The short and long-term implications of the conflict are difficult to predict and may have a material and adverse effect on the Corporation's results of operations. The conflict will have consequences for global market volatility and economic conditions, including energy and commodity prices and equity markets which may, in turn, increase inflationary pressures and interest rates which may impact the Corporation's ability to access financing in the capital markets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Tidewater Midstream is committed to conducting its business in a way that balances diverse stakeholder expectations, respects the environment, and emphasizes the health and safety of its employees and communities. As part of our commitment to enhancing transparency, Tidewater Midstream published its inaugural ESG Report in Q1 summarizing the Corporation's performance on several key environmental, social and governance topics and highlighting its commitment to responsible energy development.

The report details Tidewater Midstream's ESG journey, performance highlights, approach to sustainability, recent accomplishments, and other material items that will drive the success of the Corporation's long-term ESG goals. Publishing this report is a significant step in carrying out the Corporation's sustainability strategy and providing additional transparency for shareholders. The report is available on the Corporation's website at www.tidewatermidstream.com/sustainability.

Environmental

The Canadian oil and gas industry is heavily regulated. Tidewater Midstream meets or exceeds the regulatory requirements in the areas in which we operate. Specifically, the environmental regulatory regime provides restrictions and prohibitions on releases or emissions of various substances produced in association with oil and natural gas industry operations. Tidewater Midstream's GHG emissions are regulated under the Technology Innovation and Emissions Reduction ("TIER") Regulation. TIER includes facility-specific benchmarks and sector-based high-performance benchmarks. The stringency of the benchmark will increase annually until the high-performance benchmark is met. Therefore, current GHG emission regulations, including the future increasing price of carbon are identified, assessed and captured at the corporate level including for budgeting and corporate strategy purposes. We continually assess and monitor emissions performance for our development plans in order to understand the potential current and future financial implications of regulations and changing carbon prices. Measures are taken to reduce emissions through cogeneration, energy efficiency projects and implementation of new technological advancements.

Building upon our strong ESG foundation, Tidewater Midstream has set a goal to have specific and measurable targets for each ESG pillar by the first quarter of 2023, including emission reduction targets. To ensure we are aware of all the opportunities to reduce or eliminate emissions across our assets, the Emissions Reduction Group has been created. This group includes multi-disciplinary and cross-functional employees from across departments and facilities to assess and evaluate reduction opportunities and prioritize projects based on feasibility and economic returns. Through understanding the inventory of opportunities that exist, we will be able to proactively set and achieve the targets we set for the short and long term.

In addition, the Corporation regularly evaluates new opportunities and technologies to implement in our current operations and for future development. With our operations being subject to the TIER Regulation, our facilities are required to reduce emissions or find financial alternatives to meet facility specific benchmarks or a high-performance benchmark. Facilities that reduce emissions below the benchmark can generate emissions performance credits which can be used to offset future costs or monetized. This provides additional incentives for the Corporation to find opportunities for emissions reductions.

As part of our continued commitment to reducing emissions and reforesting the planet, the Corporation participated in tree planting with Project Forest at the Golden Ranches Conservation Area. The Tidewater Midstream team planted over 500 trees included in our 5-year commitment to plant 20,000 across the province of Alberta. Tidewater Midstream staff across Calgary and our field sites also recognized Earth Day and World Environment Day by organizing a community cleanup day or adopting a highway to improve their local areas.

Social

In the third quarter of 2022, Tidewater Midstream continued to support many local charities focused on low-income families and community outreach.

Calgary and Prince George held their annual golf tournaments raising over $64,000 for communities in Alberta and BC. For 2022, Tidewater has raised over $102,000 to support STARS Air Ambulance, Prince George Hospice Palliative Care Society and several Northern Alberta initiatives near the Grande Prairie area.

Tidewater also held a Baby Hamper campaign in conjunction with the Calgary Food Bank and Prince George Salvation Army to raise over $7,100 in donations and supplies for families in need.

Governance

Tidewater Midstream's ESG Committee continues to evaluate various opportunities for improvement in our ESG practices including Diversity, Equity and Inclusion (DEI). In line with our goal to make a target for each ESG pillar, the Corporation strives to address the need for more diversity within our Board of Directors and across the organization. By the first quarter of 2023, we intend to improve our approach and policies and set a measurable and achievable target with respect to DEI.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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 in preparing the annual consolidated financial statements is discussed in note 2 of the consolidated financial statements for the year ended December 31, 2021. There have been no material changes to the Corporation's critical accounting estimates and judgments during the three and nine months ended September 30, 2022.

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. No material changes in the DC&P were identified during the interim period ended September 30, 2022 that have materially affected or are reasonably likely to materially affect, the Corporation's DC&P.

Internal Controls Over Financial Reporting

Tidewater Midstream'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 period ended September 30, 2022, 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.

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 interim 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 interim period ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

No material weaknesses relating to the design of the ICFR existing at September 30, 2022 were identified. As well, there were no limitations on the scope of the design of DC&P or ICFR.

It should be noted that a control system, including the Corporation's DC&P and ICFR, no matter how well conceived, can provide only reasonable and not absolute assurance that the objectives of the control system will be met. As a result of inherent limitation in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Corporation have been prevented or detected.

NON-GAAP MEASURES

Throughout this MD&A and in other materials disclosed by the Corporation, Tidewater Midstream 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, supplementary financial measures and capital management 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 income before finance costs, taxes, depreciation, share-based compensation, unrealized gains/losses on derivative contracts, non-cash items, transaction costs, lease payments under IFRS 16 *Leases* and other items considered non-recurring in nature plus the Corporation's proportionate share of EBITDA in their 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 Midstream'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 income and comprehensive 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 Midstream also believes consolidated Adjusted EBITDA is a measure widely used by securities analysts, investors, lending institutions, and others to evaluate the financial performance of the Corporation and other companies in the midstream industry. The Corporation issues guidance on this key measure. As a result, consolidated Adjusted EBITDA is presented as a relevant measure in the MD&A to assist analysts and readers in assessing the performance of the Corporation as seen from management's perspective. In addition to reviewing consolidated Adjusted EBITDA, management reviews deconsolidated Adjusted EBITDA to highlight the Corporation's performance, excluding the portion of consolidated Adjusted EBITDA attributable to Tidewater Renewables. Investors should be cautioned that consolidated Adjusted EBITDA and deconsolidated Adjusted EBITDA should not be construed as alternatives to net income (loss), net cash provided by (used in) 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 income (loss), the nearest GAAP measure, to Adjusted EBITDA:

(in thousands of Canadian dollars)	Three months ended September 30, **2022**	Three months ended September 30, 2021	Nine months ended September 30, **2022**	Nine months ended September 30, 2021
Net income (loss)	**$ (22,035)**	$ 3,440	**$ 43,740**	$ 75,908
Deferred income tax (recovery) expense	**(7,005)**	1,138	**16,508**	20,215
Depreciation	**20,793**	19,975	**60,809**	61,213
Finance costs	**17,345**	16,644	**51,321**	56,998
Share-based compensation	**3,411**	1,584	**10,710**	4,640
Loss (gain) on sale of assets	**7,149**	(1,548)	**9,399**	(26,258)
Unrealized loss (gain) on derivative contracts	**38,677**	9,392	**(10,206)**	(44,407)
Transaction costs	**2,878**	908	**3,687**	2,528
Non-recurring transactions	**983**	112	**1,468**	1,441
Adjustment to share of profit from equity accounted investments	**(116)**	1,431	**1,972**	4,205
Consolidated Adjusted EBITDA	**$ 62,080**	$ 53,076	**$ 189,408**	$ 156,483
Less: Consolidated Adjusted EBITDA attributable to Tidewater Renewables	**(16,084)**	(5,330)	**(45,723)**	(5,330)
Deconsolidated Adjusted EBITDA	**$ 45,996**	$ 47,746	**$ 143,685**	$ 151,153

Distributable cash flow attributable to shareholders (excluding distributable cash flow to non-controlling interest shareholders associated with Tidewater Renewables)

Distributable cash flow attributable to shareholders is a non-GAAP measure. Management believes distributable cash flow is a useful metric for investors when assessing the amount of cash flow generated from normal operations and to evaluate the adequacy of internally generated cash flow to fund dividends. Distributable cash flow is calculated as net cash provided by operating activities before changes in non-cash working capital plus cash distributions from investments, transaction costs, non-recurring expenses, and after any expenditures that use cash from operations. 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. Deducted from distributable cash flow are maintenance capital expenditures, including turnarounds, as they are ongoing recurring expenditures which are funded from operating cash flows. Transaction costs are added back as they vary significantly quarter to quarter based on the Corporation's acquisition and disposition activity.

It also excludes non-recurring transactions that do not reflect Tidewater Midstream's ongoing operations. Distributable cash flow attributable to shareholders also deducts distributable cash flow to non-controlling interest shareholders associated with Tidewater Renewables.

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

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Net cash provided by (used in) operating activities	**$ 67,035**	$ (3,827)	**$ 176,262**	$ 94,030
Add (deduct):				
Changes in non-cash working capital	**(13,792)**	50,353	**(530)**	47,816
Transaction costs	**2,878**	908	**3,687**	2,528
Non-recurring transactions	**983**	112	**1,468**	1,441
Interest and financing charges	**(10,564)**	(11,310)	**(31,322)**	(41,293)
Payment of lease liabilities, net of sublease payments	**(11,679)**	(12,679)	**(36,072)**	(39,155)
Maintenance capital	**(22,693)**	(6,502)	**(42,069)**	(14,123)
Tidewater Renewables' distributable cash flow to non-controlling interest shareholders	**(2,940)**	(1,221)	**(8,917)**	(1,221)
Distributable cash flow attributable to shareholders	**$ 9,228**	$ 15,834	**$ 62,507**	$ 50,023

Tidewater Midstream expects to pay dividends from distributable cash flow, however, the Corporation is entirely dependent upon its operations and assets to pay cash dividends to shareholders. Dividends declared for the three and nine months ended September 30, 2022 were $4.2 million and $11.1 million or approximately 46% and 18% respectively of distributable cash flow. Growth capital expenditures will be funded from operating cash flow, along with proceeds from additional debt or equity, as required. The decrease in distributable cash flow to shareholders quarter-over-quarter was largely attributable to the Corporation's Pipestone Gas Plant turnaround. The year-over-year increase was attributable to increased cashflow from operating activities, net of changes in working capital.

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

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

Non-GAAP Financial Ratios

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

Payout Ratio

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

(in thousands of Canadian dollars except percentage information)	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Dividends declared	**$ 4,228**	$ 3,403	**$ 11,065**	$ 10,188
Distributable cash flow attributable to shareholders	**$ 9,228**	$ 15,834	**$ 62,507**	$ 50,023
Payout ratio	**46%**	21%	**18%**	20%

Distributable cash flow per common share

Distributable cash flow per common 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 three and nine months ended September 30, 2022.

Distributable cash flow is a non-GAAP financial measure. Management believes that distributable cash flow per common share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

(in thousands of Canadian dollars except per share information)	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Distributable cash flow attributable to shareholders	**$ 9,228**	$ 15,834	**$ 62,507**	$ 50,023
Distributable cash flow per common share – basic	**$ 0.02**	$ 0.05	**$ 0.18**	$ 0.15
Distributable cash flow per common share – diluted	**$ 0.02**	$ 0.04	**$ 0.14**	$ 0.12

Capital Management Measures

The Corporation has its own methods for managing capital and liquidity as further described in "Liquidity, and Capital Resources" section of this MD&A and within note 24 of the Consolidated Financial Statements for the year ended December 31, 2021.

Consolidated and Deconsolidated Net Debt

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

In addition to reviewing consolidated net debt, management reviews deconsolidated net debt to highlight the Corporation'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 Liquidity and Capital Resources above.

The Corporation's consolidated net debt and deconsolidated net debt has decreased at September 30, 2022, compared to September 30, 2021, due to repayments of debt during refinancing.

The following table reconciles consolidated and deconsolidated net debt:

(in thousands of Canadian dollars)		**September 30, 2022**		**September 30, 2021**
Tidewater Midstream Senior Credit Facility	**$**	**458,986**	$	408,084
Tidewater Renewables Senior Credit Facility		**110,143**		42,000
RNG Credit Facility		**15,550**		-
Second Lien Term Loan - principal		**-**		20,000
Notes payable		**-**		124,055
Convertible debentures - principal		**75,000**		75,000
Cash		**(12,641)**		(25,776)
Consolidated net debt	**$**	**647,038**	$	643,363
Less: Senior Credit Facility – Tidewater Renewables		**(110,143)**		(42,000)
Less: RNG Credit Facility – Tidewater Renewables		**(15,550)**		-
Add: Cash – Tidewater Renewables		**1,382**		8,074
Deconsolidated net debt	**$**	**522,727**	$	609,437

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.

"Dividends declared per share" is comprised of dividends declared, as determined in accordance with IFRS, divided by the number of shares outstanding at the dividend record date.

OPERATIONAL DEFINITIONS

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

“Refining margin” or “Crack spread” refers to the general price differential between crude oil and 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” means with respect to a natural gas plant, 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, 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 Midstream and Infrastructure Ltd. (the “**Corporation**” or “**Tidewater Midstream**”) 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 Renewables expects gross capital costs to be approximately 10% higher than the previously announced guidance of $235 million and that incremental capital costs are not expected to have a significant impact on the HDRD Complex’s economic returns as renewable diesel and BC LCFS credit prices continue to remain higher than previously forecasted;
- the Corporation will continue to focus on operational execution and growth opportunities to enhance the sustainability of its business and develop renewable energy projects;
- Tidewater Midstream is well-positioned to serve NGL and crude oil markets due to its trucking and rail logistics infrastructure, allowing customers to capture enhanced product pricing to improve netbacks on their products;
- the integration of Tidewater Midstream’s infrastructure means that it can take advantage of available resources to benefit from differentials in commodity prices through its processing facilities, fractionation, straddle, storage, and transportation infrastructure;

- the valuation of midstream and downstream infrastructure is increasing as a result of commodity prices and possible infrastructure constraints in the next 12 months;
- Tidewater Midstream's 2022 consolidated Adjusted EBITDA is expected to exceed previous guidance as a result of Tidewater Renewables' base business, with consolidated Adjusted EBITDA to be $235 - $255 million and deconsolidated Adjusted EBITDA to be at the high end of the previously disclosed range of $180 - 190 million;
- Tidewater Midstream expects full year 2022 deconsolidated maintenance capital expenditures to be approximately $40 – 45 million (previously $35 - $40 million), slightly higher than previously forecasted as a result of inflationary pressures;
- Tidewater Midstream plays a key role in Canada's energy transition and is well positioned to leverage its existing facilities to take advantage of opportunities including renewable fuels, existing carbon capture assets and energy transition infrastructure;
- Tidewater Midstream's refining margins are largely driven by commodity prices;
- Tidewater Midstream continues to pursue numerous low capital and high rate of return debottleneck and optimization opportunities within its downstream business unit;
- the focus of Tidewater Midstream's 2022 capital program being on small-scale optimization projects along with its renewable initiatives and Tidewater Midstream continues to evaluate and execute smaller capital projects in the $5 million to $25 million capital cost range with strong short-term returns on investment.
- the anticipation 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;
- the current financial position of the Corporation provides sufficient financial flexibility and resources to manage its liquidity requirements;
- the Corporation expects to maintain sufficient liquidity sources to fund its ongoing operations, debt service requirements, dividend payments, and working capital needs;
- the Corporation will continue to pay dividends on a quarterly basis at $0.01 per common share;
- Tidewater Midstream placing a high priority on the maintenance and upgrading of its assets to provide safe and reliable services to its customers;
- the Corporation entering into certain financial derivative contracts to manage commodity price, power, interest and foreign exchange risk;
- Tidewater Midstream being committed to conducting its business in a way that balances diverse stakeholder expectations, respects the environment, and emphasizes the health and safety of its employees and communities;
- Tidewater Midstream's ESG Committee continuing to evaluate various opportunities for improvement in our ESG practices including Diversity, Equity and Inclusion (DEI) and the intention to improve our approach and policies, and set a measurable and achievable target with respect to DEI.
- guidance with respect to forecasted net debt to Adjusted EBITDA;
- continued consistent performance of the Corporation's facilities;
- budgets, including future capital, operating, compliance and other expenditures and projected costs;
- demand for refined and renewable products;
- Tidewater Midstream's expectations to pay dividends from distributable cash flow;
- expectations relating to legislation and regulations, including environmental legislation and regulations, and the impacts of such governmental actions on the Corporation's operations;
- maintenance of financial covenants under the Corporation's debt instruments;

- expectations around the Corporation's maintenance of sufficient liquidity to fund ongoing operations, debt service requirements, payment of dividends and working capital needs;
- credit rating changes;
- the Corporation believes the credit risk associated with Cenovus is minimal;
- success of hedges and forward contracts to offset risks; and
- expectations that net cash provided by operating activities, cash flow generated from growth projects and cash available from Tidewater Midstream's Senior Credit Facility and other sources of financing will be sufficient to meet its obligations and financial commitments and will provide sufficient funding for anticipated capital expenditures.

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 Midstream's ability to execute on its business plan;
- the timely receipt of all governmental and regulatory approvals sought by the Corporation;
- that PGR crack spreads remain strong and refined product demand continues to increase;
- general economic and industry trends, including the duration and effect of the COVID-19 pandemic;
- future commodity prices, including natural gas, crude oil, NGL and renewable energy prices;
- impacts of commodity prices and demand on the Corporation's working capital requirements;
- continuing government support for existing policy initiatives;
- processing and marketing margins;
- impacts of seasonality and climate disruptions;
- future capital expenditures to be made by the Corporation;
- foreign currency, exchange and interest rates, and expectations relating to inflation;
- that there are no unforeseen events preventing the performance of contracts;
- the amount of future liabilities relating to lawsuits and environmental incidents and the availability of coverage under the Corporation's insurance policies;
- Cenovus volume demands from the PGR are consistent with forecasts;
- successful negotiation and execution of agreements with counterparties;
- oil and gas industry expectation and development activity levels 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;
- assumptions regarding amount of operating costs to be incurred;
- that there are no unforeseen material costs relating to the facilities which are not recoverable from customers;
- distributable cash flow and net cash provided by operating activities are consistent with expectations;
- the ability to obtain additional financing on satisfactory terms;
- the availability of capital to fund future capital requirements relating to existing assets and projects;
- the ability of Tidewater Midstream to successfully market its products;
- credit rating changes;
- the successful integration of acquisitions and projects into the Corporation's existing business; and
- the Corporation's future debt levels and the ability of the Corporation to repay its debt when due.

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

- changes in demand for refined and renewable products;
- general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, stock market volatility, supply/demand trends and inflationary pressures;
- activities of producers and customers and overall industry activity levels;
- failure to negotiate and conclude any required commercial agreements;
- non-performance of agreements in accordance with their terms;
- failure to execute formal agreements with counterparties in circumstances where letters of intent or similar agreements have been executed and announced by Tidewater Midstream;
- failure to close transactions as contemplated and in accordance with negotiated terms;
- risks of health epidemics, pandemics, public health emergencies, quarantines, and similar outbreaks, including COVID-19, which may have sustained material adverse effects on the Corporation’s business financial position results of operations and/or cash flows;
- the regulatory environment and decisions, and First Nations 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 Midstream’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 government 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;
- 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;
- reliance on key personnel;
- technology and security risks, including cybersecurity;
- potential losses which would stem from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which the Corporation is reliant;
- technical and processing problems, including the availability of equipment and access to properties;
- changes in gas composition; and
- failure to realize the anticipated benefits of acquisitions.

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

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

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