

News Release

December 22, 2023



(TSX: TWM)

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. ANNOUNCES THE CLOSING OF ITS PIPESTONE AND DIMSDALE ASSET SALE TO ALTAGAS LTD. AND PROVIDES CORPORATE UPDATE

CALGARY, ALBERTA December 22, 2023 - Tidewater Midstream and Infrastructure Ltd. ("Tidewater" or the "Corporation") (TSX: TWM) is pleased to announce the closing of the previously announced sale of its Pipestone natural gas plant, Pipestone expansion project and Dimsdale natural gas storage facility to AltaGas Ltd. ("AltaGas") (collectively the "Transaction"). As consideration for the Transaction, Tidewater received cash proceeds of \$325 million and approximately 12.47 million common shares of AltaGas ("AltaGas Shares") for aggregate total consideration of approximately \$665 million, based on the closing price of the AltaGas Shares on the Toronto Stock Exchange ("TSX") on the day before closing. Concurrent with the closing of the Transaction, Tidewater entered into credit facilities with a syndicate of domestic and global banks totaling an aggregate amount of \$375 million (the "Credit Facilities"). The Credit Facilities will provide Tidewater with the financial flexibility to support its ongoing base business, while providing enhanced liquidity to support profitable growth initiatives.

Tidewater will use the net proceeds from the Transaction for general corporate purposes, including the repayment of amounts on its senior credit facility, which will provide an immediate improvement to Tidewater's leverage profile and a reduction to cash interest costs.

"The closing of the Transaction unlocks meaningful shareholder value and enhances our financial flexibility while significantly reducing our leverage," said Rob Colcleugh, CEO of Tidewater. "I would like to thank our Tidewater team for the significant time and dedication they invested to get this transaction closed."

Intention to Repurchase Common Shares and Dividend Update

Tidewater's Board of Directors ("Board") has authorized the application to the TSX to institute a normal course issuer bid ("NCIB") which will establish the ability to repurchase, for cancellation, up to 10% of the public float of the common shares of Tidewater (the "Common Shares"). The NCIB will be subject to the approval of the TSX and is intended to be effective in the first quarter of 2024 and will be made in accordance with the applicable rules and policies of the TSX and securities laws. Tidewater believes that following the closing of the Transaction the market price of the Common Shares may not reflect the Corporation's intrinsic value and future prospects, and that the purchase of Common Shares may represent an appropriate use of the Corporation's financial resources to enhance shareholder value.

Concurrent with the approval of the NCIB, the Board has elected to suspend its quarterly dividend of \$.01 per Common Share to help fund the NCIB while enhancing the Corporation's financial flexibility. The Corporation believes that a combination of growth, Common Share buybacks and a conservative balance sheet can help increase shareholder value.

ABOUT TIDEWATER MIDSTREAM

Tidewater is traded on the TSX under the symbol "TWM". Tidewater's business objective is to profitably grow and create shareholder value in the North American natural gas, natural gas liquids, crude oil, refined product and renewable energy value chain. Its operations include downstream facilities, natural gas processing facilities, natural gas liquids infrastructure, pipelines, storage, and various renewable initiatives. To complement its infrastructure asset base, the Corporation also markets crude, refined product, natural gas, natural gas liquids and renewable products and services to customers across North America.

Tidewater is a majority shareholder of Tidewater Renewables, an 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".

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ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release 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 the Corporation 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 press release should not be unduly relied upon.

In particular, this press release contains forward-looking statements pertaining to but not limited to the following: the expected use of the net proceeds of the Transaction; the repayment of amounts under Tidewater's senior credit facility providing an immediate reduction to Tidewater's cash interest costs; the expectation that the Transaction unlocks meaningful shareholder value and enhances our financial flexibility while significantly reducing our leverage; the Credit Facilities providing Tidewater with the financial flexibility to support its ongoing base business, while providing enhanced liquidity that will support profitable growth initiatives; the expected approval of the NCIB by the TSX and the timing thereof; the purchase of Common Shares representing an appropriate use of the Corporation's financial resources to enhance shareholder value; and the combination of growth, Common Share buybacks and a conservative balance sheet increasing shareholder value.

Although the forward-looking statements contained in this press release 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 press release, the Corporation has made assumptions regarding, but not limited to: management's estimates and expectations in relation to future economic and business conditions and other factors in relation to the Transaction; current business and economic trends; the Corporation's ability to execute on numerous G&A and corporate efficiency initiatives to further streamline operations and increase profitability; and Tidewater's de-levered balance sheet and enhanced cost structure allowing Tidewater's remaining strategic midstream assets to take advantage of continued demand for natural gas processing, extraction/fractionation, storage and marketing services across Western Canada.

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 a failure to realize the anticipated benefits of the Transaction. Readers are 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 press release. Additional information on other factors which could affect the Corporation's operations or financial results are included under the heading "Risk Factors" in the Corporation's annual information for the year ended December 31, 2022, which can be accessed either on Tidewater's website at www.tidewatermidstream.com or under Tidewater's System for Electronic Document Analysis and Retrieval ("SEDAR+") profile on www.sedarplus.ca.

Tidewater does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable securities law. All forward-looking statements contained in this press release are expressly qualified by this cautionary statement.