



TIDEWATER RENEWABLES LTD. ANNOUNCES SECOND QUARTER 2022 RESULTS

CALGARY, August 11, 2022 - Tidewater Renewables Ltd. (“**Tidewater Renewables**” or the “**Corporation**”) (TSX: LCFS) is pleased to announce that it has filed its condensed interim consolidated financial statements and Management’s Discussion and Analysis (“**MD&A**”) for the three and six month periods ended June 30, 2022.

SECOND-QUARTER 2022 HIGHLIGHTS

- Tidewater Renewables generated another solid quarter of Adjusted EBITDA⁽¹⁾ of \$16.9 million and net income of \$4.4 million during the second quarter of 2022. Net cash provided by operating activities totaled \$13.9 million for the second quarter of 2022, with distributable cash flow⁽¹⁾ of \$11.3 million.
- The Corporation has reached several important milestones on its 3,000 bbl/d Renewable Diesel & Renewable Hydrogen Complex (“HDRD Complex”) including the commencement and completion of various construction activities. Tidewater Renewables expects production of Renewable Diesel in the first quarter of 2023.
As of June 30, 2022, the Corporation expects to receive an additional 140,926 British Columbia Low Carbon Fuel Standard (“BC LCFS”) under its Renewable Diesel Project Part 3 Agreement with the Government of British Columbia.
- On June 28, 2022, Tidewater Renewables announced a multi-year agreement with an investment-grade company to sell Federal Clean Fuel Regulation (“CFR”) credits that it will receive through the production and sale of renewable fuels produced at the HDRD Complex, adding previously unrecognized value and an incremental revenue stream to the Corporation. As part of the transaction, Tidewater Renewables agreed to sell a total of 45,000 CFR credits at \$95 per credit. This multi-year agreement extends to June 30, 2025. At similar CFR credit values, Tidewater Renewables’ HDRD Complex has the potential of generating an incremental \$30 million of Run Rate EBITDA⁽¹⁾ assuming other factors remain constant.
- Tidewater Renewables continues to expand its feedstock supply and marketing business to secure feedstock for its growth projects. During the quarter, the Corporation launched its strategic investment in Rimrock Cattle Company Ltd. (“RCC”). RCC is expected to generate material feedstock volumes for use in both the RNG and renewable fuels business units. The Corporation is also pleased with the continued outperformance and growth of its renewable feedstock collection business since its acquisition in Q4 2021. The Corporation continues to pursue partnership opportunities and long-term arrangements to secure a diversified supply of feedstocks.

- During the second quarter the Corporation made significant progress on its RNG business and has commenced preliminary engineering and design on its announced High River RNG Facility. This facility is expected to be backstopped by 10 to 20 year offtake agreements with an investment grade counterparty and has secured a long-term feedstock supply from the Corporation's strategic partnership with RCC.
- The Corporation's base business continues to exceed previous guidance and expectations with 2022 Adjusted EBITDA and 2023 Run Rate EBITDA⁽¹⁾ expected to be at the high end of the previously disclosed ranges of \$50 - 55 million and \$140 - 150 million, respectively (excluding any additional value from CFR credits).

(1) Adjusted EBITDA, distributable cash flow, net debt and Run Rate EBITDA used throughout this press release are non-GAAP financial measures or ratios. See the "Non-GAAP and Other Financial Measures" in this press release and the Corporation's MD&A for information on each non-GAAP financial measure or ratio.

Selected financial and operating information are outlined below and should be read with the Corporation's condensed interim consolidated financial statements and related MD&A for the three month and six month periods ended June 30, 2022, which are available under the Corporation's profile on SEDAR at www.sedar.com and on its website at www.tidewater-renewables.com.

Financial Highlights

<i>(in thousands of Canadian dollars except per share information)</i>	Three months ended June 30,		Six months ended June 30,	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Revenue	\$ 19,730	\$ -	\$ 36,980	\$ -
Net income (loss) attributable to shareholders	\$ 4,363	\$ (735)	\$ 21,877	\$ (735)
Basic and diluted net income (loss) attributable to shareholders per share	\$ 0.13	\$ - ⁽³⁾	\$ 0.63	\$ - ⁽³⁾
Adjusted EBITDA ^(2,4)	\$ 16,902	\$ -	\$ 29,639	\$ -
Net cash provided by operating activities	\$ 13,903	\$ -	\$ 33,188	\$ -
Distributable cash flow ⁽²⁾	\$ 11,274	\$ -	\$ 19,190	\$ -
Distributable cash flow per common share – basic and diluted ⁽²⁾	\$ 0.32	\$ -	\$ 0.55	\$ -
Total common shares outstanding (000s)	34,712	- ⁽³⁾	34,712	- ⁽³⁾
Total assets	\$ 876,497	\$ -	\$ 876,497	\$ -
Net debt ⁽²⁾	\$ 107,829	\$ -	\$ 107,829	\$ -

Notes:

(1) The comparable periods presented are from the date of incorporation, May 11, 2021, to June 30, 2021.

(2) See "Non-GAAP and Other Financial Measures" in the Corporation's press release and MD&A.

(3) At June 30, 2021 only one common share was outstanding which was subsequently redeemed by the Corporation.

(4) For the three and six months ended June 30, 2022, Adjusted EBITDA includes \$642 from its proportionate share of RCC's Adjusted EBITDA.

OUTLOOK AND CORPORATE UPDATE

Tidewater Renewables is pleased to deliver its third full quarter of operations, generating solid Adjusted EBITDA of \$16.9 million and distributable cash flow of \$11.3 million. Tidewater Renewables continues to exceed prior guidance and expectations with 2022 Adjusted EBITDA

and 2023 Run Rate EBITDA expected to be at the high end of the previously disclosed ranges of \$50 - 55 million and \$140 - 150 million, respectively (excluding any additional value from CFR credits).

Construction of the Corporation's HDRD Complex continues to progress with multiple key milestones being achieved through summer. Tidewater Renewables expects the HDRD Complex to deliver \$90 - 100 million of Run Rate EBITDA (excluding any additional value from CFR credits) once it is commissioned in the first quarter of 2023. The Corporation's gross capital cost expectations remain unchanged from previous guidance, at approximately \$235 million. The Corporation continues to monitor macro-economic conditions, including those that affect the global supply chain, and has proactively accelerated the ordering of certain long and medium-lead equipment to lock-in material costs and help mitigate any potential supply-chain disruptions.

The Corporation remains hedged on approximately 50% and 30% of the HDRD Complex's feedstock requirements through 2023 and 2024 respectively, as well as the majority of its Canola Co-Processing feedstock.

CONFERENCE CALL

On July 27th, 2022 Tidewater Midstream, the Corporation's majority shareholder and parent, announced its financing plan to fully fund the repayment of \$125 million senior unsecured notes and \$20 million second lien term loan. The note and second lien repayments will be funded through proceeds from the announced unit offering and draws on an expanded senior credit facility, in aggregate the Financing Plan ("Financing Plan"). During the period prior to Financing Plan close, securities regulation restricts issuers from certain marketing activities. To comply with this requirement, Tidewater Midstream and the Corporation will not be holding their regularly scheduled post quarter earnings calls and expect to resume the practice following their third quarter 2022 results. Management will be available for investor relations engagement following the Financing Plan close, currently expected to be on or about August 16, 2022.

ABOUT TIDEWATER RENEWABLES

Tidewater Renewables is traded on the TSX under the symbol "LCFS". Tidewater Renewables is a multi-faceted, energy transition company. The Corporation is focused on the production of low carbon fuels, including renewable diesel, renewable hydrogen and renewable natural gas, as well as carbon capture through future initiatives. The Corporation was created in response to the growing demand for renewable fuels in North America and to capitalize on its potential to efficiently turn a wide variety of renewable feedstocks (such as tallow, used cooking oil, distillers corn oil, soybean oil, canola oil and other biomasses) into low carbon fuels. Tidewater Renewables' objective is to become one of the leading Canadian renewable fuel producers. The Corporation is pursuing this objective through the ownership, development, and operation of clean fuels projects and related infrastructure, utilizing existing proven technologies. Organically, Tidewater Renewables will seek to leverage the existing infrastructure and engineering expertise of Tidewater Midstream, its majority shareholder, regarding the development of the Corporation's

portfolio of greenfield and brownfield capital projects as well as the expansion of the Corporation's product offerings. Additional information relating to Tidewater Renewables is available on SEDAR at www.sedar.com and at www.tidewater-renewables.com.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this press release and in other materials disclosed by the Corporation, Tidewater Renewables 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. For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the "Non-GAAP and Other Financial Measures" section of Tidewater Renewables' most recent MD&A which is available on SEDAR.

Non-GAAP Financial Measures

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

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA is calculated as income (or loss) 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 its equity investment.

The following table reconciles net income, the nearest GAAP measure, to Adjusted EBITDA:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
<i>(in thousands of Canadian dollars)</i>				
Net income (loss)	\$ 4,363	\$ (735)	\$ 21,877	\$ (735)
Deferred income tax expense (recovery)	1,919	(265)	8,362	(265)
Depreciation	4,815	-	9,503	-
Finance costs	1,410	-	2,184	-
Share-based compensation	904	-	1,354	-
Unrealized loss (gain) on derivative contracts	2,876	-	(14,309)	-
Transaction costs	347	1,000	400	1,000
Adjustment to share of profit from equity accounted investments ⁽²⁾	268	-	268	-
Adjusted EBITDA	\$ 16,902	\$ -	\$ 29,639	\$ -

Notes:

(1) The comparable periods presented are for the date of incorporation, May 11, 2021 to June 30, 2021.

(2) For the three and six months ended June 30, 2022, Adjusted EBITDA includes \$642 from its proportionate share of RCC's Adjusted EBITDA.

Distributable Cash Flow

Distributable cash flow 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. These cash flows are relevant to the Corporation's ability to internally fund growth projects, alter its capital structure, or distribute returns to shareholders. 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 Renewables' ongoing operations.

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

	Three months ended June 30,		Six months ended June 30,	
<i>(in thousands of Canadian dollars)</i>	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Net cash provided by operating activities	\$ 13,903	\$ -	\$ 33,188	\$ -
Add (deduct):				
Changes in non-cash working capital	1,896	1,000	(4,764)	1,000
Transaction costs	347	(1,000)	400	(1,000)
Interest and financing charges	(446)	-	(1,002)	-
Payment of lease liabilities	(1,434)	-	(2,905)	-
Maintenance capital	(2,992)	-	(5,727)	-
Distributable cash flow	\$ 11,274	\$ -	\$ 19,190	\$ -

Notes:

(1) The comparable periods presented are for the date of incorporation, May 11, 2021 to June 30, 2021.

Run Rate EBITDA

Run Rate EBITDA is defined as the expected Adjusted EBITDA to be generated by Tidewater Renewables' specific Renewable Assets, or specific growth project, that corresponds to a full year of operations at full capacity. Run Rate EBITDA excludes non-cash items including depreciation and share-based compensation. The calculation of Run Rate EBITDA is based on certain estimates and assumptions. It should not be regarded as a representation, by the Corporation or any other person, that Tidewater Renewables will achieve such operating results. Investors should not place undue reliance on the Run Rate EBITDA and should make their own independent assessment of the Corporation's future results or operations, cash flows and financial condition.

Run Rate EBITDA guidance related to the HDRD Complex includes various assumptions including a renewable refinery margin of \$90/ bbl. The renewable refinery margin is derived from vegetable oil strip pricing for the Corporation’s feedstocks, which are 50% and 30% hedged through 2023 and 2024 respectively, current diesel strip pricing and average BC LCFS sale prices over the past 12-months. The renewable refinery margin currently excludes any incremental value from CFR credits.

Run Rate EBITDA guidance related to CFS credits, which is excluded from other guidance, assumes that CFS credits can be sold at an average price of \$95/ credit, based on the Corporation’s previously announced forward sale.

Non-GAAP Financial Ratios

Distributable Cash Flow Per Common Share

<i>(in thousands of Canadian dollars except per share information)</i>	Three months ended June 30,		Six months ended June 30,	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Distributable cash flow	\$ 11,274	\$ -	\$ 19,190	\$ -
Distributable cash flow per share– basic and diluted ⁽²⁾	\$ 0.32	\$ -	\$ 0.55	\$ -

Notes:

(1) The comparable periods presented are for the date of incorporation, May 11, 2021 to June 30, 2021.

(2) At June 30, 2021 only one common share was outstanding which was subsequently redeemed by the Corporation.

Capital Management Measures

Net Debt

Net debt is defined as bank debt, less cash. 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.

The following table reconciles net debt:

<i>(in thousands of Canadian dollars)</i>	June 30, 2022
Senior Credit Facility	\$ 110,000
RNG Credit Facility	7,900
Cash	(10,071)
Net debt	\$ 107,829

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 Tidewater Renewables 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”, 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 financial performance of the Corporation's capital projects and assets including, the Renewables Assets; the expectation that the Corporation will be able to grow its revenue, actively maintain and manage its capital projects and assets, including the Renewables Assets, and achieve growth by selectively pursuing strategic business development opportunities; following the commencement of operations, including underlying assumptions; estimates of EBITDA and Run Rate EBITDA; guidance with respect to forecasted consolidated Adjusted EBITDA and expected growth related thereto; the Corporation's business plans and strategies, including the underlying existing assets and capital projects, and the success and timing of the projects and related milestones and capital costs; the Corporation's operational and financial performance, including expectations regarding generating revenue, revenues and operating expenses; the ability to leverage existing infrastructure and engineering expertise of Tidewater Midstream regarding development of the Corporation's projects and product offerings; anticipated revenue from future sales of BC LCFS Credits; the ability of the Corporation to progress its feedstock strategy; the future price and volatility of commodities; the future pricing of BC LCFS Credits and credits issued pursuant to the CFS ("CFS Credits"); expectations around the Corporation's receipt of BC LCFS Credits and CFS Credits; and the availability, future price and volatility of feedstocks and other inputs.

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: Tidewater Renewables' ability to execute on its business plan; the timely receipt of all third party, governmental and regulatory approvals and consents sought by the Corporation including with respect to the Corporation's projects and applications; general economic and industry trends, including the duration and effect of the COVID-19 pandemic; operating assumptions relating to the Corporation's projects; expectations around level of output from the Corporation's projects, including assumptions relating to feedstock supply levels; timing and cost of completion of the HDRD Complex, including that the project will remain on budget and on schedule; the ownership and operation of Tidewater Renewables' business; regulatory risks, including changes or delay to the BC LCFS Credits or CFS Credits; the expansion of production of renewable fuels by competitors; the future pricing of BC LCFS Credits and CFS Credits; future commodity and renewable energy prices; sustained or growing demand for renewable fuels; ability for the Corporation to successfully turn a wide variety of renewable feedstocks into low carbon fuels; and the other assumptions set forth in the

Corporation's most recent annual information form available under the Corporation's profile on SEDAR at www.sedar.com.

The foregoing lists are not exhaustive. Additional information on these and other factors which could affect the Corporation's operations or financial results are set forth in the Corporation's most recent Annual Information Form and in other document in file with the Canadian Securities regulatory authorities available under the Corporation's profile on SEDAR at www.sedar.com.

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 supply and demand for low carbon products; general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, supply chain pressures, inflation, stock market volatility and supply/demand trends; risks of health epidemics, pandemics 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; risks and liabilities inherent in the operations related to renewable energy production and storage infrastructure assets, including the lack of operating history and risks associated with forecasting future performance; competition for, among other things, third-party capital, acquisition opportunities, requests for proposals, materials, equipment, labour, and skilled personnel; risks related to the environment and changing environmental laws in relation to the operations conducted with the Renewable Assets and the Corporation's other capital projects; and the other risks set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR at www.sedar.com.

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 Annual Information Form and in other documents on file with the Canadian Securities regulatory authorities at www.sedar.com.

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statement provided in this press release 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 of them do occur, 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 press release. Tidewater Renewables 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. Further information about factors affecting forward-looking statements and management's assumptions and analysis thereof is available in the Corporation's most recent Annual Information Form and other filings made by

the Corporation with Canadian provincial securities commissions available under the Corporation's profile on SEDAR at www.sedar.com.

Financial Outlook

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about expectations regarding financial results for 2022 and 2023, including Adjusted EBITDA, and annual Run Rate EBITDA, which are subject to the same assumptions, risk factors, limitations, and qualifications as set out under the heading "Forward-Looking Information". The actual financial results of the Corporation may vary from the amounts set out herein and such variation may be material. The Corporation and its management believe that the financial outlook has been prepared on a reasonable basis, reflecting management's best estimates and judgments and the FOFI contained in this press release was approved by management as of the date hereof. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date hereof and was provided for the purpose of providing further information about the Corporation's anticipated future business operations on an annual basis. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

For further information:

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