



## **TIDEWATER RENEWABLES LTD. ENTERS INTO 20-YEAR RENEWABLE NATURAL GAS OFFTAKE AGREEMENT WITH FORTISBC**

CALGARY, October 17, 2022 – Tidewater Renewables Ltd. (“Tidewater Renewables” or the “Corporation”) (TSX: LCFS) is pleased to announce that its majority owned subsidiary Rimrock Renewables Limited Partnership (“Rimrock”) has entered into a 20-year offtake agreement (the “Offtake Agreement”) with FortisBC Energy Inc. (“FortisBC”). Under the Offtake Agreement, FortisBC expects to purchase up to 525,000 gigajoules (“GJ”) of renewable natural gas (“RNG”) annually from a new RNG facility located in Foothills County near High River, Alberta (the “RNG Facility”).

“On behalf of the entire team at Tidewater Renewables, I want to congratulate our partners at FortisBC for their leadership in climate action and look forward to working together to build a lower carbon future,” said Joel MacLeod, Executive Chairman and CEO. “The 20-year Offtake Agreement by FortisBC marks a significant milestone for the RNG Facility and enhances the economic certainty of the project.”

“One of the many ways we’re working to reduce greenhouse gas emissions is by increasing the amount of renewable and low carbon gases, like RNG, in our system,” said David Bennett, director of renewable gas and low carbon fuels at FortisBC. “And it is with agreements like these, with dedicated RNG suppliers such as Tidewater Renewables, that we can make commitments to reducing greenhouse gas emissions in our system and for our customers.”

### **RNG Offtake Agreement with FortisBC**

Under the Offtake Agreement, FortisBC expects to purchase up to 525,000 GJs of RNG annually from the RNG Facility, underpinning 100% of the project's revenue generation. Upon completion, the RNG Facility will convert organic waste into enough energy to meet the needs of more than 5,800 residential homes in British Columbia.

- **Counterparty:** FortisBC (Investment Grade Credit Rating)
- **Term:** 20 years
- **Volume:** Up to 525,000 GJ per annum

The Offtake Agreement remains subject to regulatory approval by the British Columbia Utilities Commission, with a decision expected to be received in the first quarter of 2023. Tidewater Renewables expects to start supplying FortisBC with RNG by the first half of 2024.

## **RNG Facility**

On April 4, 2022, Tidewater Renewables closed a strategic renewable natural gas and feedstock partnership with Rimrock RNG Inc. and Rimrock Cattle Company. On the back of this announcement, Tidewater Renewables, through its subsidiary Rimrock, has commenced construction of the RNG Facility. The RNG Facility will convert feedlot manure to pipeline quality RNG with negative carbon intensity scores (meaning it takes more carbon out of the environment than it produces) through an anaerobic digestion and gasification process. Through its feedstock partnership, Tidewater Renewables expects to secure 100% of the project's feedstock requirements for the entirety of the life of the project by the start of commercial operations of the RNG Facility. Once operational, the RNG Facility is expected to generate \$10 million in Run Rate EBITDA<sup>(1)</sup> (on a 100% basis) underpinned by the Offtake Agreement.

(1) Run Rate EBITDA used throughout this press release is a non-GAAP financial measure. See the "Non-GAAP Measures" in this press release and the Corporation's MD&A for information on non-GAAP financial measures.

## **Renewable Natural Gas**

Renewable Natural Gas ("RNG") is produced in a different manner than conventional natural gas. It is derived from biogas, which is produced from decomposing organic waste from landfills and agricultural waste. The biogas is captured and cleaned to create carbon neutral Renewable Natural Gas (also called biomethane). By increasing the concentration of methane to a similar level as natural gas, it becomes possible to distribute the gas to customers via the existing gas grid and use in existing appliances.

## **Forward-Looking Information**

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") that relate to the Corporation's current expectations and views of future events. These forward-looking statements relate to future events or the Corporation's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumption or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this new release should not be unduly relied upon. These statements speak only as of the date of this new release. In particular and without limitation, this news release contains forward-looking statements pertaining to Tidewater Renewables' business as described under the heading "About Tidewater Renewables" below; the estimated addition of Run Rate EBITDA derived from the RNG Facility; the expectation that the British Columbia Utilities Commission will approve the Offtake

Agreement during the first quarter of 2023; and the expectation that RNG supply to FortisBC will commence during the first half of 2024. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Corporation's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in the Corporation's supplemented PREP prospectus dated August 12, 2021, filed on SEDAR. Tidewater Renewables does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable laws.

### **Non-GAAP 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.

#### **Run Rate EBITDA**

"Run Rate EBITDA" is defined as the expected Adjusted EBITDA to be generated by a specific asset or specific growth project corresponding to a full year of operations at full capacity. "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 calculation of Run Rate EBITDA is based in certain estimates and assumptions and should not be regarded as a representation by the Corporation or any other person that the Corporation will achieve such operating results. Prospective investors should not place undue reliance on the Corporation's 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 RNG Facility contains various assumptions related to throughput, sales prices, feedstock pricing and operating expenses. Throughput and operating expense assumptions are derived from the facility design. Sales and feedstock pricing is derived from existing and prospective agreements.

### **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, sustainable aviation fuel, 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 and Infrastructure Ltd. 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](http://www.sedar.com) and at [www.tidewater-renewables.com](http://www.tidewater-renewables.com).

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