



# **Tidewater Renewables Ltd.**

## **Investor Presentation**

**November 2022**



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Forward-looking statements in this document include, among other things: the expected financial performance of the Corporation’s proposed capital projects and assets following the commencement of operations, including underlying assumptions; estimates of Adjusted EBITDA and run-rate EBITDA and timing of same; the anticipated growth of Tidewater Renewables, including projects and acquisitions; Tidewater Renewable’s ability to obtain funding for additional capital requirements; Tidewater Renewables’ applicable business units, including its proposed base business, and capital projects; expectations regarding hydrogen, renewable diesel, RNG, and other renewable fuels, including growth, industry drivers and industry participation; benefits of facility integration between Tidewater Renewables and Tidewater Midstream and Infrastructure Ltd. (“Tidewater Midstream”); the regulatory environment for and industry trends applicable to Tidewater Renewables’ activities; potential approval of funding plans or incentives under renewable regulatory regimes; the Corporation’s objective to become one of the leading Canadian renewable fuel producers; the ability of proven technologies to be applied to generate clean fuels; the Acquired Assets (defined herein) ability to generate operating cash flows; projections that certain existing government programs related to renewable energy will be renewed prior to the expiry of such programs; proposed activities and projects, including anticipated third party partnerships and support, including support and involvement by First Nations; ESG trends and impact; the Corporation’s ESG strategy, including the ability of renewable products to deliver carbon intensity alternatives; investment trends and demand; planned or expected renewable projects and the resulting industry impacts; RNG value chain and ultimate delivery to customers; business relationship between Tidewater Renewables and Tidewater Midstream, including potential future drop-down of assets from Tidewater Midstream to Tidewater Renewables; projected future construction of projects and the anticipated timeline to commence and complete construction; renewable resource supply and demand, and drivers of such supply and demand; global commodity forecasts; timing, efficacy, success and environmental impacts of the proposed capital projects of Tidewater Renewables; projections and estimates of industry trends, Adjusted EBITDA and financial results of operations; success of certain projects, including, the Prince George Refinery, PGR Renewable Diesel Refinery, Canola Co-Processing, FCC Co-Processing, renewable hydrogen plants, anaerobic digester, and RNG gasifier; benefits generated from an integrated processing and infrastructure network; the availability, future price and volatility of feedstocks and other inputs; plans to pursue growth opportunities beyond 2023; continuing government support for existing policy initiatives and programs currently in place; and diesel fuel, hydrogen, and natural gas demand and supply and anticipated performance.

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# Disclaimers

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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 Measures" section of Tidewater’s most recent MD&A which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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# Tidewater Renewables Overview

## CORPORATE SNAPSHOT

### Investment Highlights

- ✓ Renewables business with significant government support, strong economics on projects and contracted cash flow
- ✓ Focused on the production of renewable diesel, hydrogen and renewable natural Gas (RNG)
- ✓ Increasing renewable fuel supply incentives, in addition to consumer demand, driving profits
- ✓ Early mover advantage: First renewable diesel and renewable hydrogen plant in Canada
- ✓ Experienced leadership team with a successful track record of completing large scale projects
- ✓ Positioned for significant growth via a deep portfolio of organic projects
- ✓ Recently partnered with strategic long-term institutional investor in AIMCo through \$150MM 2<sup>nd</sup> lien Facility

### Capitalization

Share Price <sup>1</sup>	(\$/sh)	\$10.25
Shares Outstanding	(MM)	34.7
Market Capitalization	(\$MM)	\$356
Net Debt <sup>2</sup>	(\$MM)	\$130
Enterprise Value	(\$MM)	\$486
Warrants (\$14.84 Strike Price)	(MM)	3.375

### Segmented Run-Rate EBITDA

Acquired Assets (Base run-rate EBITDA) <sup>3</sup>	(\$MM)	\$40
Co-Processing Projects <sup>4</sup>	(\$MM)	\$11
Renewable Diesel & Renewable Hydrogen	(\$MM)	\$90-\$100
Rimrock Partnership <sup>5</sup>	(\$MM)	\$25-30



1. Share price as of November 9<sup>th</sup>, 2022 (TSX: LCFS).

2. Net debt as of October 24<sup>th</sup>, 2022.

3. Acquired Assets run-rate EBITDA is comprised of the following components a) PGR Tankage Assets & Interest, b) PGR Truck & Rail Rack Interest, c) Unifiner Reactor Interest, d) Steam Methane Reformer, e) Water Treatment & Electrical Facilities Interest, and f) Renewable Storage Reservoir Assets.

4. Co-Processing run-rate EBITDA is comprised of Canola Co-Processing and FCC Co-processing units.

5. Net to TWRs 51% interest based on management estimates; includes four RNG facilities.

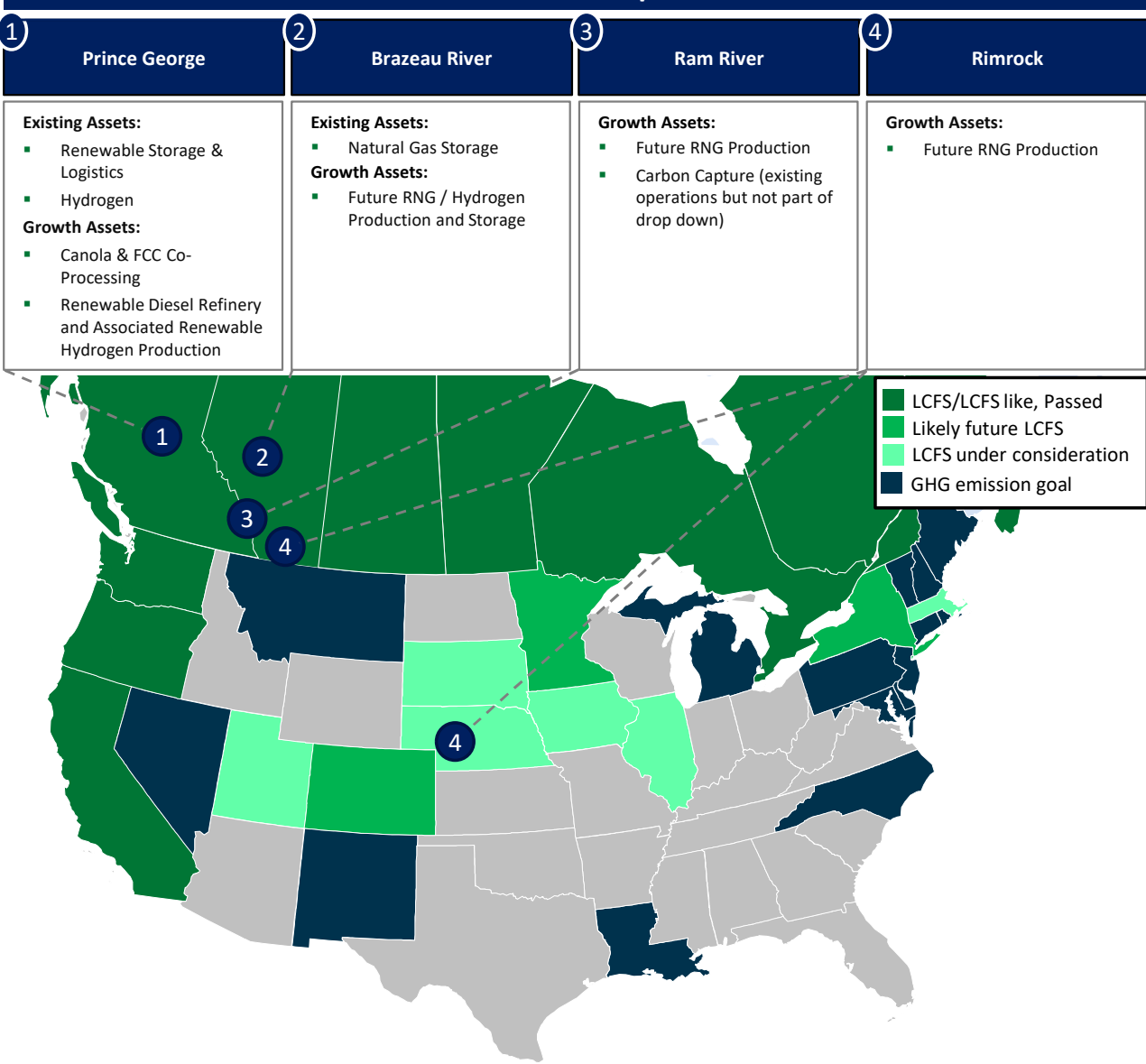
# Tidewater Renewables Ltd.

A CANADIAN ENERGY TRANSITION LEADER WITH A FOCUS ON RENEWABLE FUELS

## Tidewater Renewables

- Tidewater Renewables is an energy transition company focused on the production of low carbon intensity fuels
  - Hold existing energy transition assets made up of hydrogen production, storage of renewable fuels and logistics assets currently operating within Tidewater
  - Capital projects to produce Renewable Diesel, Hydrogen and Renewable Natural Gas
  - Core business units are supported by dedicated feedstocks, logistics, storage and loading assets
- Existing assets are co-located at select existing Tidewater facilities, benefiting from integration with existing operations and reduced capital/operating costs
- Regulations relating to renewables are evolving with current trends pointing to more favorable incentives in the future

## Asset Map



# Tidewater Renewables Business Model is Underpinned by 3 Products

NEW ENERGY TRANSITION PLATFORM CATERS TO A GROWING GLOBAL DEMAND BASE

Multi-faceted green energy platform with strong ESG attributes

- ✓ Deliver Carbon Intensity ("CI") reduction alternatives to a growing demand base
- ✓ Leverage existing infrastructure to deliver early mover advantages
- ✓ Leadership with successful track record of large project execution
- ✓ ESG is a top priority

## Renewable Diesel



Near-Term<sup>1,2</sup>

Long-Term<sup>1,2</sup>

13.4B Gallons 18.0B Gallons



## Hydrogen



Near-Term<sup>1,3</sup>

Long-Term<sup>1,3</sup>

100 MMTPA 200 MMTPA



## Renewable Natural Gas



Near-Term<sup>1,4</sup>

Long-Term<sup>1,4</sup>

6.3 Bcf/d 11.3 Bcf/d



Providing Low Carbon and Cleaner Fuel Solutions at Scale



1. Near-term and long-term demand profiles represent forecasted demand in 2030 and 2040, respectively.  
2. Growth projections to 2030 based on data from LMC International, Square Commodities and TWM analyses. Growth projections between 2030 – 2040 estimated at 3% growth per annum.  
3. Growth projections based on International Energy Agency (IEA) estimates, Hydrogen Council estimates and TWM analyses.  
4. Growth projections based on International Energy Agency (IEA) estimates and TWM analyses.



# Tidewater Renewables Overview

## BUSINESS OVERVIEW

### Existing Business + Funded Growth

- Portfolio of assets currently operating, near completion or significantly progressed/de-risked

#### 1 Base Business

- Acquisition of existing cash flow streams from projects and services previously held by Tidewater Midstream
- HDRD: Renewable fuels storage tanks, unfiner capacity, rail and truck rack W.I.
- Hydrogen: Existing PGR hydrogen production
- RNG: Contracted gas storage (contracted by third party)  
Secured 20-year offtake with ForticBC for High Riven RNG Project

#### 2 Co-Processing Projects

- Canola: commissioned in Q3 2021
- FCC: online concurrent with refinery turnaround in 2023; ongoing feedstock trials

#### 3 Renewable Diesel and Renewable Hydrogen

- Renewable Diesel Refinery at PGR to come on-line in 2023
- Excess Renewable Hydrogen production associated with refining processes to generate third-party income
- Substantial BC government support with ~\$110 MM of funding



### Future Growth

- Significant future growth opportunities

#### 1 Base Business Growth

- Incremental run-rate EBITDA growth achieved by leveraging feedstock assets, existing drop-down infrastructure, logistics networks and deep customer relationships
- Include complementary services to funded growth projects

#### 2 RNG - Anaerobic Digester Project

- Anaerobic Digester project in cooperation with feedstock producers in Alberta
- Produced RNG will have a >100% CI reduction<sup>1</sup>

#### 3 Feedstock Business Unit

- Partnering with one of North America's largest cattle marketers – RCC and its affiliates collectively market >500,000 head of cattle per year
- Partnership provides access to primary RNG feedstock as well as future beef tallow which will support a material amount of feedstock required for HDRD facility



1. Based on the BC CI Methodology.

# Renewable Diesel Refinery and Associated Renewable Hydrogen

PROJECT OVERVIEW: FLAGSHIP ASSET RECEIVED FID WITH CONSTRUCTION COMMENCED IN Q3 2021

### Renewable Diesel Refinery co-located at the Prince George Refinery

- Utilizes renewable feedstocks to produce Renewable Diesel
- Project includes an over-built renewable hydrogen plant that will produce 10.0 MMcf/d of Hydrogen as part of refinery operations
- Utilizes Haldor Topsoe's HydroFlex™ technology which provides cost advantages and allows for maximum flexibility of feedstock use

### Estimated capital spend of \$260 MM is supported by the B.C. government

- Executed agreement with BC Gov. for ~40% – 50% of project funding
  - Capital cost further de-risked via BC LCFS credit sales; entered sales agreement for 160,000 credits valued at ~\$437/credit (Nov. 2021, Jan. 2022, Mar. 2022) and two CFS credit sales at \$95-\$100/credit
  - Live discussions on further CFS credit sale with other counterparties and planning to conservatively incorporate CFS credit values in budget
- Construction commenced in Q3 2021, and the project has received the first four BC LCFS milestone grants from BC government in connection with work completed on this project (plan to submit 2 milestones in Dec. 2022)

### Early mover advantage and co-location will lead to attractive economics

- Renewable product yields expected to generate renewable credits in Canada (CFS), B.C. (LCFS), and certain US states (LCFS, RINs and BTCs)
- Kicked-off numerous CI pathway registrations in Canada and US



### Key Figures – Renewable Diesel & Associated Hydrogen Production

**Project Capex (Net)**  
\$130-140 MM<sup>1</sup>

**Run Rate EBITDA**  
\$90-100 MM

**Nameplate Capacity**  
RD: 3.0 Mbbl/d, H<sub>2</sub>: 23.7 MT/d (10.0 MMcf/d)

**CI Reduction<sup>2</sup>**  
RD: 80 – 90%, H<sub>2</sub>: 65 – 75%

**Various Feedstocks**  
UCO, DCO, Tallow, Canola & Soybean

**Renewable Product Yields**  
Renewable Diesel, Hydrogen

**Logistics Connectivity**  
Rail and truck

**In Service Date**  
Q1 2023

Building Canada's 1<sup>st</sup> renewable diesel project

Co-location at PGR drives economics through reduced upfront capital spending and operating costs

Technological features provide cost advantages and allows for flexibility of feedstock use

Supportive fundamentals with BC government plans for having 1.3 billion liters of renewable fuel production in the province by 2030



1. Assumes high end of capex range and adjusted for government funding, including forward credit sales.  
2. Based on the BC CI Methodology.



# Co-Processing Project Overview

## CO-PROCESSING PROJECTS


Co-Processing Projects utilize existing refinery process units to blend in biogenic feedstocks and produce renewable products

- **Canola Co-Processing:** Project blends canola oil as feedstock directly into the Unifiner at PGR to produce renewable diesel and gasoline
  - Project commissioned by Tidewater in August 2021
- **FCC Co-Processing:** Fluid Catalytic Cracking co-processing project at PGR expected to result in the production of renewable diesel and gasoline
  - Phase I commissioning in August 2023
- Both Co-Processing Projects have received material BC government support in the form of BC Low Carbon Fuel Standard credits that significantly reduce Tidewater’s net capital contribution
- The renewable diesel and renewable gasoline produced by the Co-Processing Projects will have a carbon intensity of approximately 80-90% less than conventional fuels



Canola Co-Processing		FCC Co-Processing	
Run Rate EBITDA \$5 million	Project Capex (Net) \$nil	Run Rate EBITDA \$6 million	Project Capex (Net) <sup>2</sup> \$7 million
Nameplate Capacity 300 bbl/d	CI Reduction <sup>2</sup> 80 – 90%	Nameplate Capacity 300 bbl/d	CI Reduction <sup>1</sup> 80 – 90%
Various Oil Feedstocks Canola	Renewable Product Yields Renewable Diesel	Various Oil Feedstocks Wood Waste	Renewable Product Yields Renewable Diesel
Logistics Connectivity Rail and truck	In Service Date Commissioned Q3 2021	Logistics Connectivity Rail and truck	In Service Date Q2 2023

Co-Processing Projects Have Received Material Funding Support From the B.C. Government



1.

Based on the BC CI Methodology.

2.

FCC Co-Processing capex is shown net of ~\$3.4 million in indirect reimbursements (in the form of BC LCFS Credits) from the Government of BC.

# Summary of Capital Projects

IMPACTFUL PORTFOLIO OF CAPITAL PROJECTS DEVELOPED IN-HOUSE AT VARIOUS STAGES OF DEVELOPMENT

	Project Name	Term	Namplate Capacity	Gross Capex (\$MM)	Net Capex (\$MM)	Run-Rate EBITDA (\$MM)	CI Reduction <sup>5</sup>	ISD	Feedstock	Primary End Product
Growth Projects	Canola Co-Processing (Attached to PGR BC)	Near-term	300 bbl/d	\$10	\$nil <sup>1</sup>	\$5 <sup>2</sup>	80-90%	In service	Canola	Renewable Diesel
	FCC Co-Processing (Attached to PGR BC)	Medium-term	300 bbl/d	\$10	\$7 <sup>1</sup>	\$6 <sup>3</sup>	80-90%	Q2 2023	Wood Waste	Renewable Diesel
	Renewable Diesel & Renewable Hydrogen Complex (Co-located at PGR BC)	Medium-term	RD: 3,000 bbl/d H <sub>2</sub> : 10 MMcf/d (or 23.7 MT/d)	\$235	~\$122 <sup>1</sup>	\$90-100 <sup>4</sup>	RD: 80-90% H <sub>2</sub> : 65-75%	Q1 2023	UCO, DCO, Tallow, Canola, & Soybean	Renewable Diesel; Renewable Hydrogen
Rimrock Investment	Feedlot Inventory & Feedstock Partnership (Alberta)	Near-term	Multiple Large Scale Feedlot Operations	\$60	\$30 <sup>6</sup>	Equity-method Accounting <sup>6</sup>	NA	In service	Beef cattle	Renewable Natural Gas; Renewable Diesel; Sustainable Aviation Fuel
	RNG Facilities Partnership (Alberta)	Near-term to Long-term	Near-term: 1,400 GJ/d  Total: >5,000 GJ/d	Near-term: \$65-70  Total: \$325-360	Near-term: \$10 <sup>7</sup>  Total: \$15-20 <sup>7</sup>	Near-term: \$5 <sup>7</sup>  Total: \$25-30 <sup>7</sup>	>100%	Near-term: 2023-2024  Total: 2023-2027	Feedlot manure and off-farm organics	Renewable Natural Gas



1. Capex is net of the following indirect reimbursements from the Government of BC.  
2. Assumes 95% utilization.  
3. Assumes 95% utilization.  
4. Assumes 95% utilization.  
5. CI Reduction for Growth Projects is based on BC CI methodology.

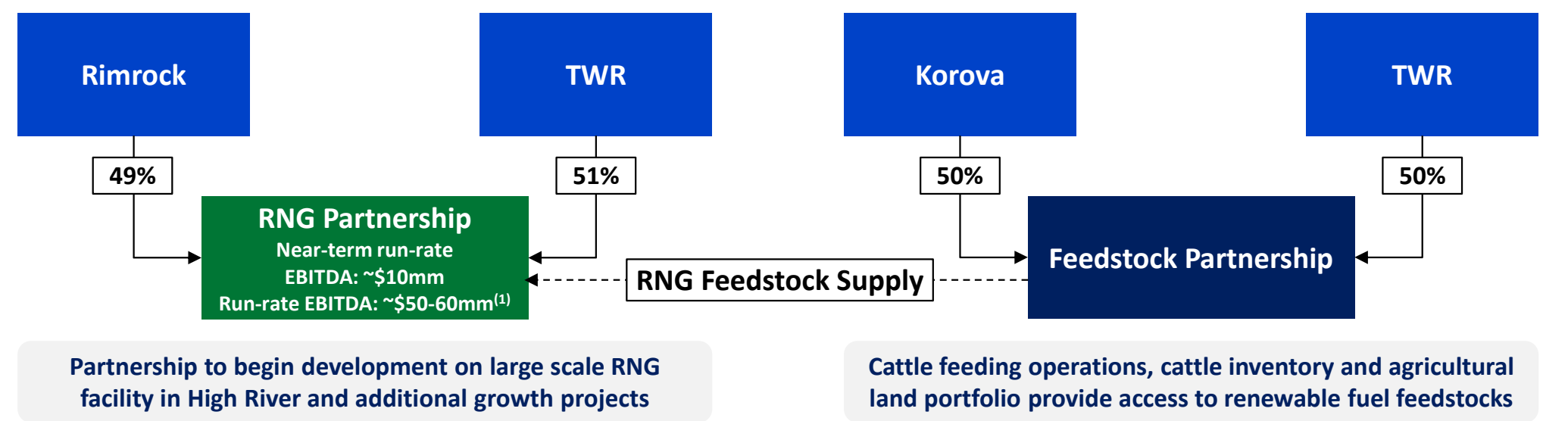
6. Feedlot Infrastructure and Feedstock Partnership to be accounted for under equity method accounting. The partnership's operations are expected to generate \$10-20mm in run-rate EBITDA or ~\$5-10mm net to TWR's 50% ownership interest.  
7. Net capex and run-rate EBITDA is net to TWRs 51% interest.

# Strategic Renewable Natural Gas and Feedstock Partnership

## TRANSACTION SUMMARY

On April 4, 2022, Tidewater Renewables Ltd. (“TWR”) (TSX: LCFS) entered into a strategic renewable natural gas partnership (the “RNG Facilities Partnership”) with Rimrock RNG Inc. (“Rimrock”) and a strategic feedstock partnership (the “Feedstock Partnership”) with Korova Feeders Ltd. (“Korova”)

- **RNG Facilities Partnership**
  - Partnership to begin development on High River RNG facility which is expected to have annual nameplate capacity of >500,000 GJ
    - Project has received material government support and is backed by 20-year offtake with FortisBC
  - Partnership will also evaluate at least three additional RNG facilities across North America with line of sight to annual RNG production >2,000,000 GJ
  - TWR will operate RNG facilities and retain 51% ownership in RNG Partnership
- **Feedstock Partnership**
  - Korova will contribute multiple large-scale cattle feeding operations and large agricultural land portfolio for 50% interest
  - TWR will invest \$30 million for the remaining 50% interest, and account for the investment in the Feedstock partnership using the equity-method
  - Partnership will provide TWR with access to significant tallow rights while also supplying primary feedstock for future RNG facilities



# Strategic Renewable Natural Gas and Feedstock Partnership

## STRATEGIC BENEFITS

### RNG Partnership

- ✓ Material government support and expected investment grade offtakes deliver contracted cash flow base with strong rates of return
- ✓ Project sequencing will allow future projects to be self-funded via prior asset cash flow, government support and project financing
- ✓ TWR's natural gas processing and storage expertise, coupled with gas marketing and logistics experience drives additional efficiencies
- ✓ Alignment with feedstock partnership provides access to existing RNG feedstocks allowing TWR to expedite RNG development across multiple projects across North America

### Feedstock Partnership

- ✓ Large scale cattle operations which control close to half of TWR's HDRD facility feedstock requirement in the form of low-cost tallow
- ✓ Feedlot infrastructure will also supply substantially all the primary feedstock required for RNG facilities
- ✓ Material land ownership located in Alberta and Saskatchewan provides additional upside for future low-cost feedstock supply

**The Partnership will be instrumental in building Tidewater Renewables' RNG vertical by securing access to high-quality feedstocks to drive economics in multiple future RNG project and our existing Renewable Diesel project**



# Strategic Renewable Natural Gas and Feedstock Partnership

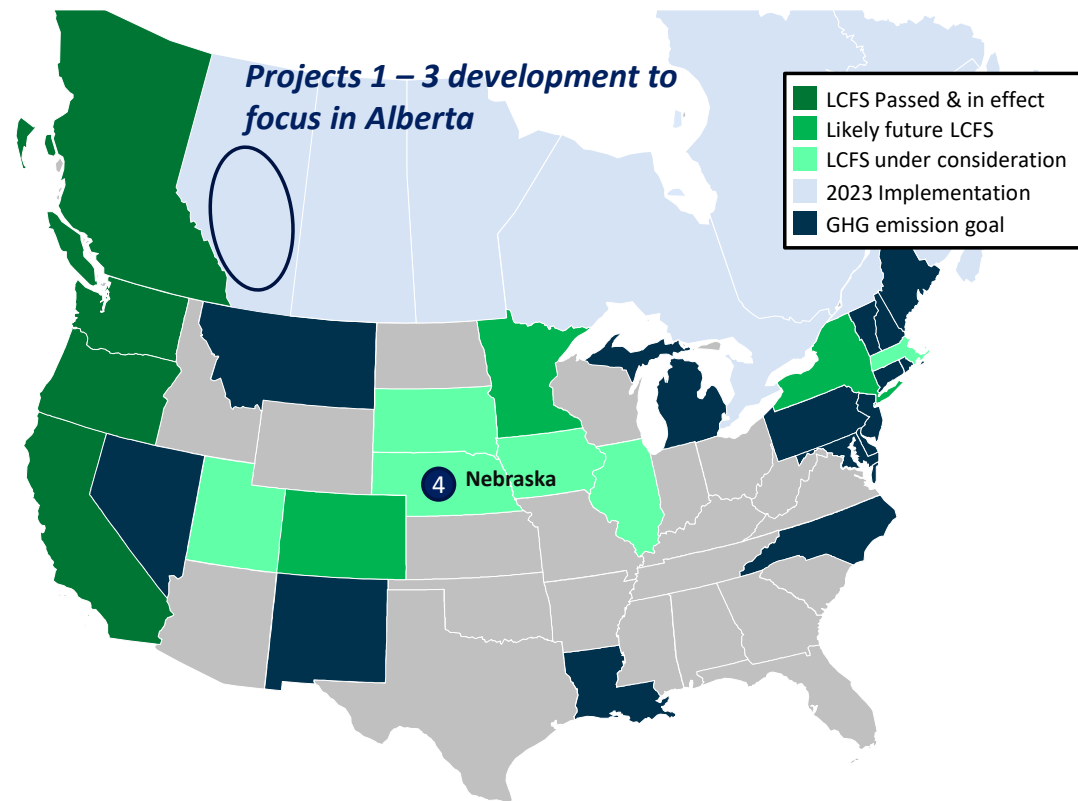
## ASSET SUMMARY

### Project Overview

- Partnership plans to begin construction on their first Alberta-based RNG Facility at High River (the “High River Facility”)
  - Also evaluating three additional RNG facilities located across Alberta and Nebraska
- All projects are expected to attract material government support which dramatically improves project economics
- Secured 20-year offtake with FortisBC
- Tidewater will also retain a right of first refusal (“ROFR”) on all future RNG facilities evaluated by Rimrock

### Capital Expenditures & Project Funding

- The High River Facility is expected to have gross capital cost of \$65-70 million and has already received material government support
  - TWR equity investment of ~\$10 million
  - TWR retains a 51% ownership in the RNG Facilities Partnership
- Tidewater Renewables will fund these investments through a combination of its \$150 million AIMCo credit facility, government grants, and project financing



	Renewable Investment	Gross Partnership Capex	Net LCFS Equity Investment <sup>1</sup>	run-rate Net EBITDA to LCFS <sup>2</sup>	In Service Date	Primary End Product
		\$MM	\$MM	\$MM	-	-
1	RNG Facility Project 1 - High River, AB	\$65 - 70	\$10	\$5	2023-2024	RNG
2	RNG Facility Project 2 – Alberta	\$65 - 70	\$5 - 10	\$5	2024-2025	RNG
3	RNG Facility Project 3 – Alberta	\$65 - 70	Nil	\$5	2025-2026	RNG
4	RNG Facility Project 4 – Nebraska	\$130 - 150	Nil	\$10 - 15	2026-2027	RNG
	Feedlot Infrastructure and Inventory (+7,200 acres in AB & SK)	\$60	\$30	Equity-method Accounting <sup>3</sup>	Today	RNG, RD and SAF potential
	Total	\$385 - 420	\$45 - 50	\$25 - 30	-	-



1. Net of government grants, partner contribution and contemplated project financing.  
2. Tidewater Renewables (“LCFS”) partnership interest.  
3. Tidewater’s investment in the Feedlot Infrastructure and Feedstock Partnership to be accounted for under equity method accounting. The partnership’s operations are expected to generate \$10-20mm in run-rate EBITDA or ~\$5-10mm net to TWR’s 50% ownership interest.



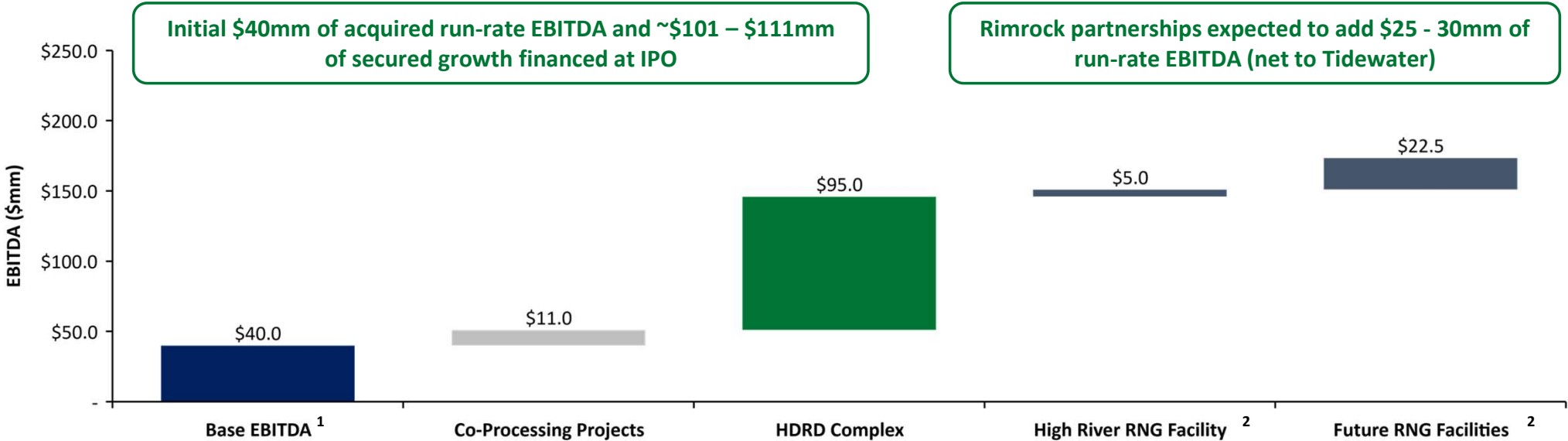
# Run-Rate EBITDA Summary

## CASH FLOW PROFILE ANCHORED BY BASE BUSINESS RUN-RATE EBITDA VIA INTIAIL DROP-DOWN & CAPITAL PROJECTS

Tidewater Renewables is expected to provide material EBITDA generation and organic EBITDA growth from existing assets, and impactful capital projects

- Base business cash flow from projects and services acquired from Tidewater in initial drop-down
  - Tidewater remains the primary counterparty on the acquired asset run-rate EBITDA contracted at an average term of 10-15 years
  - Incremental run-rate EBITDA growth achieved by leveraging existing Tidewater infrastructure, logistics networks and deep customer relationships
  - Tidewater Renewables will focus on strengthening customer relationships and contract life over the next three years as have successfully done within Tidewater
- Portfolio of greenfield and brownfield capital projects to expand Tidewater Renewables product offering
  - Brownfield Co-Processing Projects located at the PGR with significant government and regulatory support
  - Flagship greenfield projects for the production of Renewable Diesel and Hydrogen
  - Rimrock investment to add \$25-30mm of net run-rate EBTIDA, with additional access to cash flow via feedlot infrastructure and feedstock partnership

### Midpoint Management Expected Run-Rate EBITDA Profile (\$MM)



Note: run-rate EBITDA references assume midpoint of management guidance.  
1. Base run-rate EBITDA is comprised of the following components a) PGR Tankage Assets & Interest, b) PGR Truck & Rail Rack Interest, c) Unifiner Reactor Interest, d) Steam Methane Reformer, e) Water Treatment & Electrical Facilities Interest, and f) Renewable Storage Reservoir Assets  
2. RNG run-rate EBITDA net to Tidewater's ownership interest.

# Growth Opportunities Beyond 2023

## PROJECT PIPELINE WITH MATERIAL ADDITIONAL GROWTH OPPORTUNITIES

### Renewable Diesel Business Unit - Other Potential Growth Projects

#### Renewable Diesel Project #2 / Sustainable Aviation Fuel

- **Capex:** ~\$300 million (~4-5x build multiple)
- Capable of producing 100% Renewable Diesel or 100% SAF (as well as renewable marine fuel)

#### Renewable Gasoline Project

- **Capex:** ~\$350 million (~5x build multiple)
- Negative carbon intensity (waste products as feedstock)<sup>1</sup>

### Hydrogen Business Unit - Other Potential Growth Projects

#### Renewable Hydrogen Project #2

#### Blue Hydrogen / Blue Ammonia with CCS

- **Capex:** ~\$600 million (~6x build multiple)
- Potentially connect to largest power plant complex in Alberta

#### CCUS Project and Related Pipeline to large CO<sub>2</sub> emitters with planned 10-15 year PPA

- **Capex:** ~\$300 million
- Government supportive
- ~8x build multiple depending on government support

### RNG Business Unit - Other Potential Growth Projects

#### Future Rimrock RNG Facilities

- **Capex:** Alberta-based projects ~\$65-70 million/project; Nebraska ~\$130-150 million (~6-7x build multiples)
- Negative carbon intensity (waste products as feedstock)<sup>1</sup>
- Expect support via 10 to 20-year offtakes with investment grade counterparty

#### Unit Train RNG Facility with CCS

- **Capex:** ~\$300 million (~5x build multiple)
- Negative carbon intensity (waste products as feedstock)<sup>1</sup>
- Offtake interest from an investment grade counterparty on 10 year basis

#### Drop-down of additional storage assets

### Feedstock Partnerships

#### Long-term feedstock partnerships / alliances (HDRD / SAF / RNG / Hydrogen)

- **Capex:** ~\$10 – \$300 million

**Tidewater Renewables Team has Identified \$2.0+ Bn of Organic and Inorganic Growth Opportunities**



1. Based on the BC CI Methodology.

# Investment Highlights

## MULTIFACETED GREEN ENERGY PLATFORM PROVIDING LOW CARBON INTENSITY FUELS

1

### Renewables Business with Significant Government Support, Strong Economics on Projects and Contracted Cash Flow

- Anticipate receipt of approximately \$120 million in government funding through multiple agreements
- Renewable Diesel & Renewable Hydrogen Complex - \$235 million capital project, or \$122 million<sup>1</sup> net, after adjusting for government support via Part 3 BC LCFS credits; capital driving \$90-100 MM of run-rate EBITDA (sub two-year payout)
- \$40 million of base, stable, fee for service, contracted run-rate EBITDA at an average term of 10-15 years

2

### Increasing Renewable Fuel Supply Incentives, in Addition to Consumer Demand, Driving Profitability Opportunity

- Favourable regulatory programs incentivizing renewable fuels production to meet CI reduction targets including the BC LCFS program in British Columbia and the upcoming implementation of the Canadian CFS program which management believes is expected to be implemented on July 1, 2023

3

### Early Mover Advantage: First Renewable Diesel and Renewable Hydrogen Plant in Canada

- Currently constructing the first commercial renewable diesel and renewable hydrogen complex in Canada
- Ability to build within an existing industrial site with existing permits

4

### Disciplined Execution and Track Record Completing Large Scale Projects on Budget

- Experienced leadership team with a successful track record of greenfield large project execution
- Relevant backgrounds in logistics, gas storage and processing, carbon and acid gas capture, and oil refining

5

### Positioned for Significant Growth via a Deep Portfolio of Organic Projects

- Growth strategy revolves around leveraging existing infrastructure owned by Tidewater Midstream and in-house operational and engineering expertise
- Tidewater Midstream operates multiple large sour gas plants, gas storage assets and carbon sequestration assets today



1. Net capex adjusted for government support, including previously announced forward credit sales.

# Tidewater Renewables Leadership Team

## SUCCESSFUL TRACK RECORD OF EXECUTING LARGE SCALE PROJECTS

### Tidewater Renewables Reduces Corporate G&A via a Shared Services Agreement with Tidewater Midstream

- Shared services to cover accounting, financial, tax, legal, office administration, IT, human resources and business development services
- Tidewater Midstream will be appointed Operator of any assets co-owned by Tidewater Midstream and Tidewater Renewables
- Tidewater Renewables has a dedicated leadership team with a background in engineering and operations to oversee and steer capital projects

<b>Joel MacLeod, CA</b> <i>Executive Chairman, Chief Executive Officer</i>	<ul style="list-style-type: none"><li>▪ Chairman and CEO at Tidewater since April 2015</li><li>▪ Founding CEO of Predator Midstream Ltd.</li><li>▪ Chartered Accountant designation</li></ul>
<b>Ray Kwan, CFA</b> <i>Chief Financial Officer</i>	<ul style="list-style-type: none"><li>▪ Joined the Tidewater team in August 2022</li><li>▪ Former Managing Director of Institutional Equity Research at a Canadian Bank</li><li>▪ B. Science Chemical Engineering, University of Alberta</li><li>▪ Chartered Financial Analyst designation</li></ul>
<b>Krasen Chervenkov, CFA</b> <i>Executive Vice President, Business Development and Strategy</i>	<ul style="list-style-type: none"><li>▪ Joined the Tidewater team in March 2017</li><li>▪ Former VP Investment Banking at a Canadian Bank</li><li>▪ B.Comm Finance, University of Calgary</li><li>▪ Chartered Financial Analyst designation</li></ul>
<b>Scott McLean</b> <i>Executive Vice President, Operations</i>	<ul style="list-style-type: none"><li>▪ Joined the Tidewater team in August 2016</li><li>▪ Former VP of HSE at Tidewater</li><li>▪ 25 years of operational, health, safety, environmental, sustainability and management experience</li></ul>



# Board of Directors of Tidewater Renewables

EXPERIENCED BOARD OF DIRECTORS WITH INDEPENDENCE FROM TIDEWATER MIDSTREAM

**Joel MacLeod, CA**  
*Executive Chairman,  
Chief Executive Officer &  
Chairman of the Board*

- Director and Chairman of Tidewater Midstream since February 2015
- Chief Executive Officer of Tidewater Midstream since April 2015
- Founding CEO of Predator Midstream Ltd.
- Chartered Accountant designation

**Margaret (Greta) Raymond, ICDD, MPH**  
*Director*

- Director of Tidewater Midstream since May 2017
- Experienced HSE and HR professional with many years in the energy industry
- President of her own consulting firm from 2009 to 2020, acting as a consultant and advising corporate Boards of Directors and Executives on operational and environment, health and safety risk management and governance
- Former Vice President Environment, Safety and Social Responsibility of Petro-Canada from 2006 to 2009

**Brett Gellner, CFA**  
*Lead Independent  
Director*

- Director of TransAlta Renewables since it's inception in 2013; former President of TransAlta Renewables
- Held several senior roles at TransAlta Corp including Chief Financial Officer, Chief Strategy and Investment Officer, and Chief Business Development Officer
- 12 years in investment banking with coverage of the power, pipeline, midstream and forest products sectors
- Masters degree in applied Economics, Chartered Financial Analyst designation, and attended the Harvard Business School Advanced Management Program

**John Adams**  
*Independent Director*

- President and Chief Executive Officer of NGIF Capital Corporation and Managing Partner of NGIF Cleantech Ventures
- Prior thereto, was Managing Director of the Natural Gas Innovation Fund at the Canadian Gas Association (CGA)
- Current member of the Clean Resources Innovation Network (CRIN) Board of Directors and member of the International Gas Union's Research, Development, and Innovation Committee
- 25+ years of experience in the cleantech energy sector; holds a bachelor's degree from the University of Toronto in Science, specializing in Environmental Science, and is a graduate of the Berkley Venture Capital Executive Program





## Appendix: Supplemental Information

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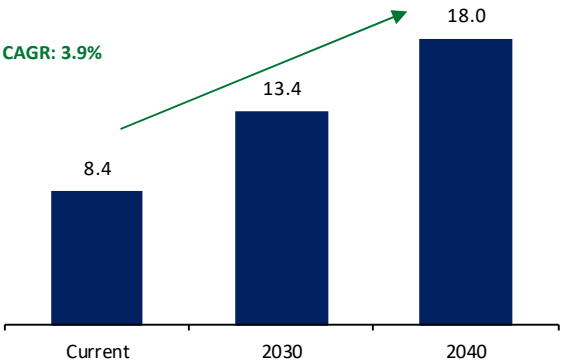
# Global Commodity Forecast

## MARKET FUNDAMENTALS SUPPORTING EMERGING RENEWABLE VERTICALS

### Renewable Diesel

- Advantages over biofuel and identical properties to fossil fuel based diesel translate into a material, and growing, addressable market for renewable diesel
- 2020 saw a number of North American refiners announce renewable diesel plants co-located with existing refineries leveraging existing infrastructure to improve project economics
- Supportive regulatory environment in U.S., Canada and Europe
- Expected global renewable diesel demand to reach 18.0 billion gallons per year in 2040<sup>1</sup>

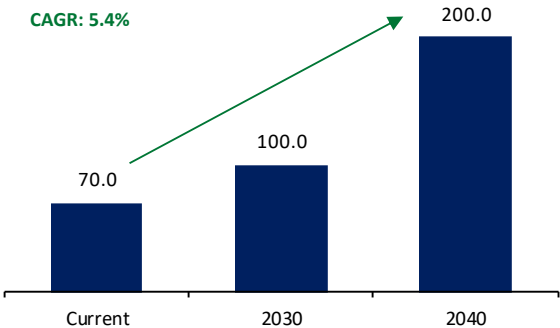
Global RD Demand (Billion Gallons Per Year)<sup>1</sup>



### Hydrogen

- Involves the processing, storage and/or transportation of hydrogen
- NRCan released its ‘Hydrogen Strategy for Canada’ in December 2020
- AB well-positioned to capitalize on growing interest in hydrogen development with existing natural gas pipeline infrastructure
- Expected global pure hydrogen demand to reach 200 million MT per year in 2040<sup>2</sup>

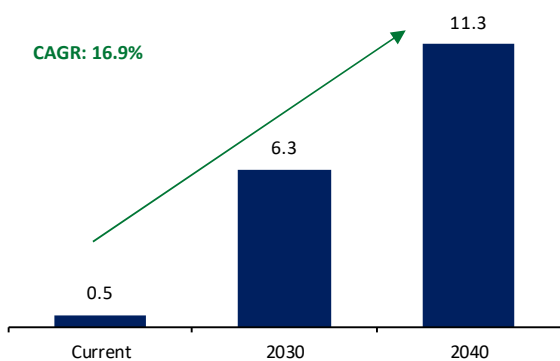
Global Pure Hydrogen Demand (MMTPA)<sup>2</sup>



### Renewable Natural Gas

- Involves projects that capture gas from wastewater treatment, agriculture and/or biomass sources
- Gas upgrading services, storage, transportation and interconnection into a gas LDCs system
- Canadian gas utilities have an aspiration of 10% of blended RNG into systems by 2030, with certain utilities such as Fortis having more aggressive targets of 15% by 2030
- Expected global RNG demand to grow to 11.3 Bcf/d by 2040<sup>3</sup>

Global RNG Demand (Bcf/d)<sup>3</sup>



1. Current estimate based on LMC International 2018 data; growth projections to 2030 based on data from LMC International, Square Commodities and TWM analyses. Growth projections between 2030 – 2040 estimated at 3% growth per annum.  
2. Current estimate based on International Energy Agency (IEA) 2019 data; growth projections based on IEA estimates, Hydrogen Council estimates and TWM analyses.  
3. Current estimate based on IEA 2018 data; growth projections based on IEA estimates and TWM analyses.

# Infrastructure and Logistics

BALANCED OFFERING ACROSS THREE LOCATIONS WITH SUPERIOR MARKET CONNECTIVITY

1

Prince George Refinery



**Renewable Diesel Refinery:** existing renewable tankage, unfiner capacity, rail & truck rack, and logistics operations

**Hydrogen:** Base hydrogen run-rate EBITDA from refinery operations

2

Ram River

3

Brazeau River Complex

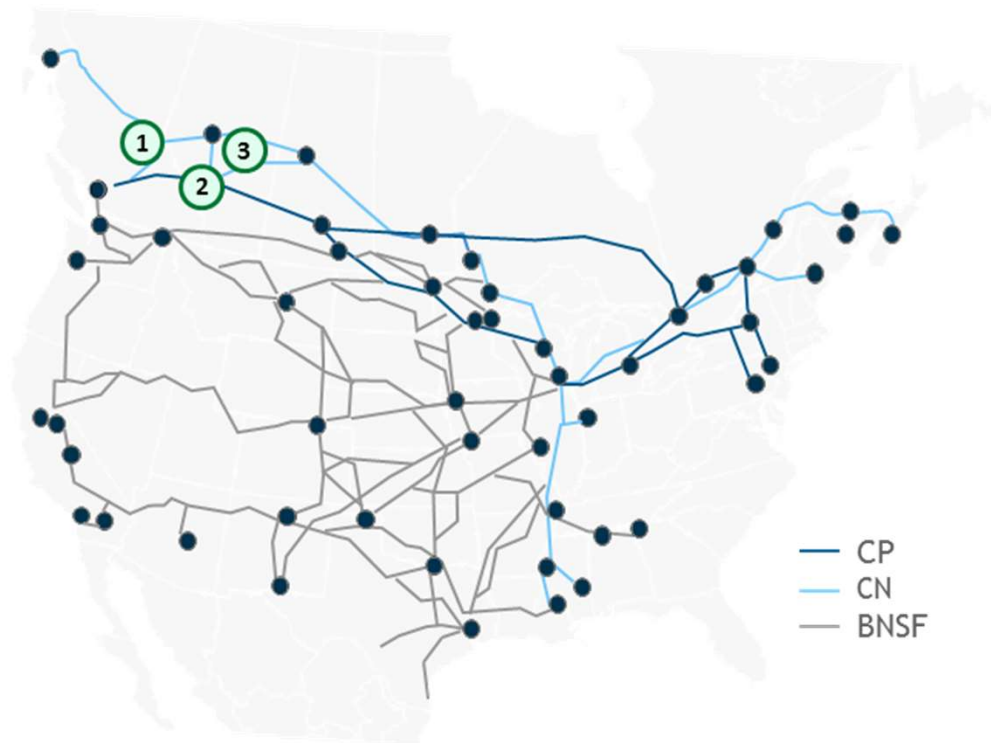


**RNG:** Existing Carbon Capture assets to assist in future RNG production



**RNG:** Gas Storage Pool asset with existing gas storage, and RNG & Hydrogen potential

Existing Assets Connected to All Major Markets in N.A.

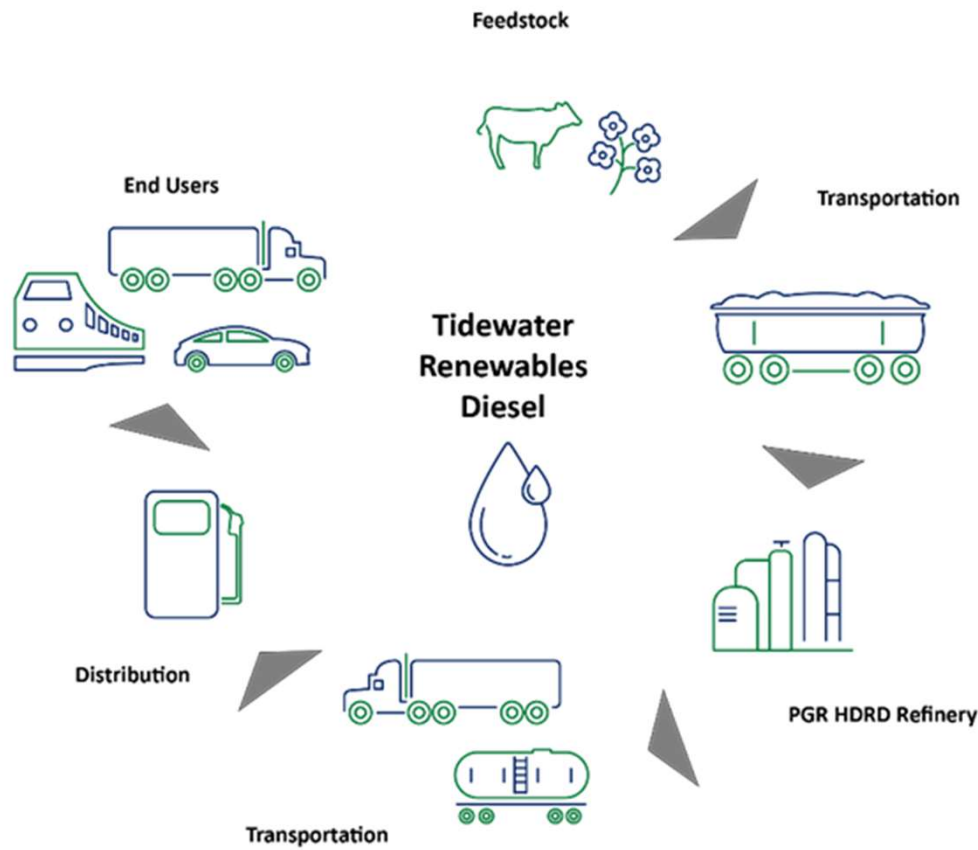


Tidewater Renewables is Able to Reach Every Major Market in North America Through Rail Connections to CP, CN and BNSF



# Renewable Diesel Overview

## LIFE-CYCLE CARBON INTENSITY



	Conventional Diesel Baseline	Canola Oil	Soy Oil	TWM HDRD		
				Corn Oil	UCO	Tallow
Total Life-Cycle Carbon Intensity (g CO <sub>2</sub> eq/MJ)	100	12	18	19	6	13
% Reduction Compared to Conventional Diesel	n.a.	(88%)	(82%)	(81%)	(94%)	(87%)

In fact, by just filling the tank, the engine will generate ~80-90%<sup>1</sup> reduction in CO<sub>2</sub> compared to regular fossil fuel-based diesel



1. Based on Life Cycle Assessment done by (S&T)2 Consultants Inc. and specific to Tidewater's renewable diesel project.

# Carbon Reduction Credits Overview



## Canada

### CFS

**Clean Fuel Standard (“CFS”)** – initiated by the Canadian federal government to pursue a Canada-wide clean fuel standard and slated to come into effect in July 2023 for obligated parties

- Producers must meet federally imposed carbon intensity thresholds by blending renewable fuels into fossil fuels
- 15% CI reduction below 2016 levels

### BC LCFS

**BC Low Carbon Fuel Standard (“BC LCFS”)** – regulation was developed under the BC Liberal government and has been continued by the BC NDP

- On October 25, 2021, The Government of British Columbia released its CleanBC Roadmap to 2030, which is part of B.C.'s plan to help it achieve its legislated targets for reducing its greenhouse gas emissions, including a targeted 40% reduction below 2007 levels by 2030.
- The Roadmap to 2030 includes several initiatives that relate to renewable fuels and the province's Low Carbon Fuel Standard (LCFS) program, including:
  - A contemplated expansion of LCFS to include marine and aviation fuels beginning in 2023 (currently, these fuels are excluded from the program);
  - An increase in the carbon intensity reduction targets for gasoline and diesel to 30% by 2030 (up from 20% by 2030 at present); and
  - An increase in the provincial renewable fuels production target to 1.3 billion litres per year (equivalent to approximately 22,400 b/d) by 2030 (double the current target of 650 million litres per year by 2030)



## United States

### RIN

**Renewable Identification Numbers (“RIN”)** – issued by the U.S. Environmental Protection Agency and the Renewable Fuel Standard (“RFS”); credits are generated when renewable fuel is created

- Serial number is assigned to each gallon of renewable fuel produced
- Refiners must purchase and blend to comply with the program
- Can be traded in the market

### LCFS

**Low Carbon Fuel Standard (“LCFS”)** – framework that incentivizes the production & sale of carbon efficient fuels

- LCFS credits are incentives generated by low CI projects/fuels
- The credits are used to drive compliance and trade in a market; demand from obligated parties is expected to increase
- As opposed to BC, U.S. LCFS program has a much larger market with more participants; credits are trading at near maximum price
- Currently studying an increase to carbon intensity benchmarks to 25% or 30% below 2010 levels by 2030, up from the 20% presently

### BTC

**Blenders Tax Credit (“BTC”)** – blenders of biodiesel or renewable diesel in the U.S. receive US\$1.00/gallon until end of 2024

- Per the new Inflation Reduction Act (“IRA”), clean fuel producers will receive a new production tax credit based on the GHG intensity of the fuel
- New blenders tax credit for SAF of US\$1.25/gallon plus US\$0.01 for each percentage point by which emissions reduction exceeds 50%

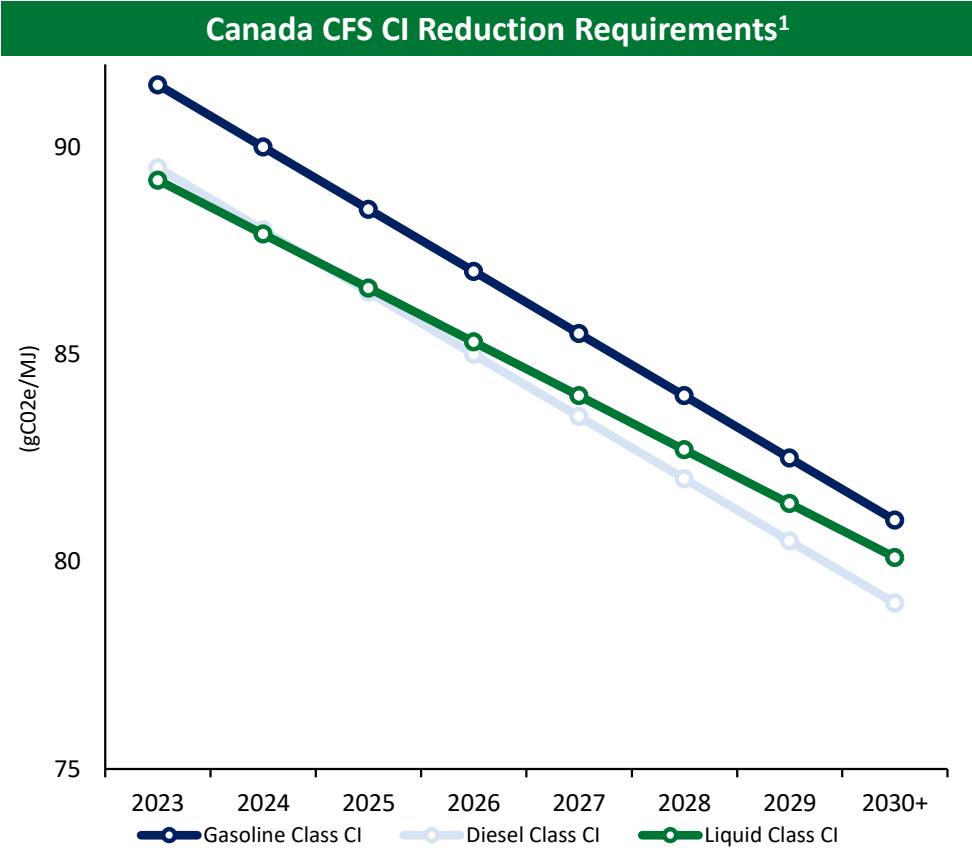




# Canadian Clean Fuel Standard (CFS)

The CFS will be implemented in July 2023 to reduce the carbon intensity (CI) of fuels across the country. Credit creation from low CI fuel projects began in June 2022, establishing a modest credit bank prior to the coming-to-force date of the regulations

- The CFS mandates liquid fuel distributors to lower the carbon emission intensity of their products, with the aim of significantly reducing pollution and GHG emissions
  - In addition, the CFS offers opportunities to have credit creation from low carbon gaseous fuels like hydrogen and renewable natural gas
  - To drive the production and consumption of clean fuels, the CFS will accelerate investment and growth in clean fuel projects through the use of incentives for the development and adoption of clean fuels and clean fuel technologies and processes
- Under a CFS Credit market, each credit expects to represent a lifecycle emission reduction of one tonne of CO<sub>2</sub>e
  - For each compliance period, a primary supplier would demonstrate compliance with their reduction requirement by creating credits or acquiring credits from other creators, and then using the required number of credits for compliance
  - CFS Credits are eligible for creation by various low carbon fuel types, including but not limited to Renewable Diesel, Renewable Natural Gas and Hydrogen
- Low CI fuels are fuels, other than the fossil fuels subject to the CI reduction requirements, that have a CI equal to or less than 90% of the credit reference CI value for the fuel
- CFS Credit quantification methodology for low carbon liquid fuels increasingly awards credits for further reductions to the CI (gCO<sub>2</sub>e) of fuels, beyond the 90% reduction benchmark criteria



**Tidewater Renewables can choose to capture the value of the expected CFS Credits by selling the forecasted renewable fuel to a consumer with the CFS Credits embedded in the purchase price or through monetizing the credits separately in the open market.**



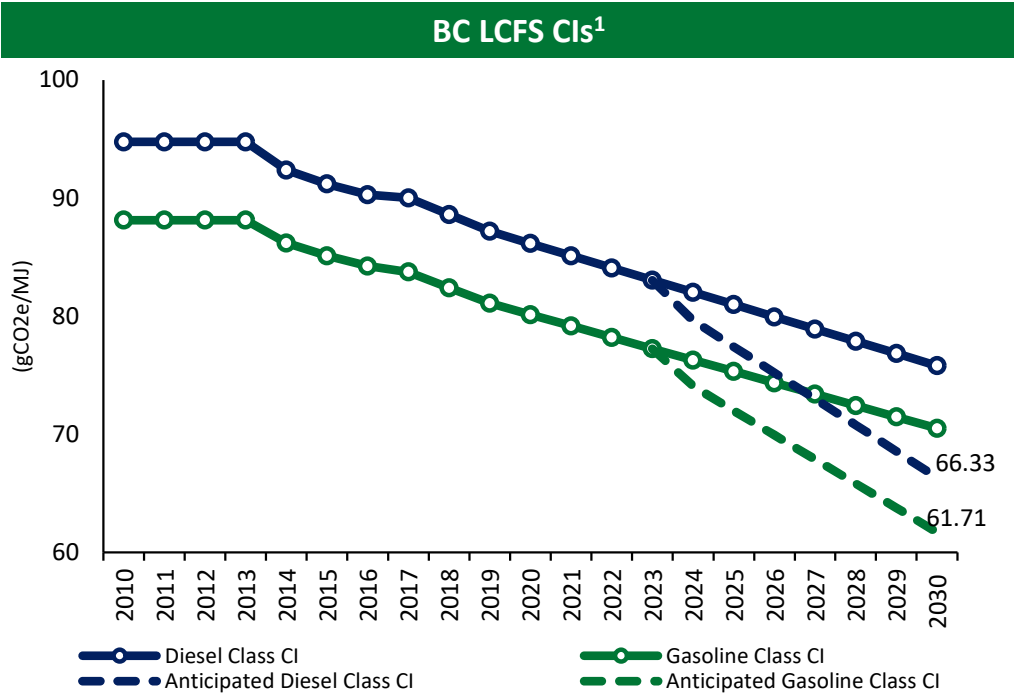
1. Canada Gazette, Part II, Volume 156, Number 14: Clean Fuel Regulations (July 6, 2022).

# BC Low Carbon Fuel Standard (BC LCFS)

The BC-LCFS was originally introduced in 2010 to reduce the carbon intensity (CI) of fuels used in the province<sup>1</sup>

- Applies to all fuels used for transportation in BC except for fuel used by aircraft or for military operations
- Targeting a 30% CI reduction by 2030; implementation delayed until Jan. 1, 2024
- May be earned by a BC Part 3 Fuel Suppliers by either (i) supplying a fuel with a CI below the prescribed CI limit or (ii) taking actions that would have a reasonable possibility of reducing GHG emissions through the use of Part 3 fuels sooner than would occur without the agreed-upon action (i.e. the construction of the Renewable Diesel & Renewable Hydrogen Complex)
- BC LCFS prices are at record highs given both mandated and voluntary CI reductions
- The CleanBC Roadmap to 2030 also highlights other initiatives that could affect fuels use in the province, including:
  - An accelerated zero-emission vehicle (“ZEV”) law (26% of new light-duty vehicles by 2026, 90% by 2030, 100% by 2035);
  - An initiative to reduce traveled in light-duty vehicles by 25% by 2030 (relative to 2020);
  - New ZEV targets for medium- and heavy-duty vehicles aligned with California; and
  - Complete B.C.’s Electric Highway by 2024 and a target of the province having 10,000 public EV charging stations by 2030.

BC LCFS Credit Price History <sup>1</sup> – C\$/Credit			
Year	Minimum <sup>2</sup>	Average <sup>2</sup>	Maximum
2016	\$100.00	\$170.93	\$190.00
2017	\$60.00	\$164.30	\$185.00
2018	\$55.00	\$164.30	\$210.50
2019	\$32.93	\$269.33	\$324.08
2020	\$32.50	\$250.44	\$385.20
2021	\$85.00	\$447.60	\$519.19
Q1 2022	\$345.00	\$467.32	\$497.77
Q2 2022	\$340.00	\$402.59	\$485.00
Q3 2022	\$400.00	\$447.97	\$490.00



1. Government of British Columbia.  
2. Some of the minimum BC LCFS Credit Prices are not indicative of current market value as they represent credits sold under legacy agreements, where the credits were pre-sold at a fixed price but were only recorded in the period when earned and transferred (which may also artificially lower the average metrics)

# California Low Carbon Fuel Standard (CA LCFS)

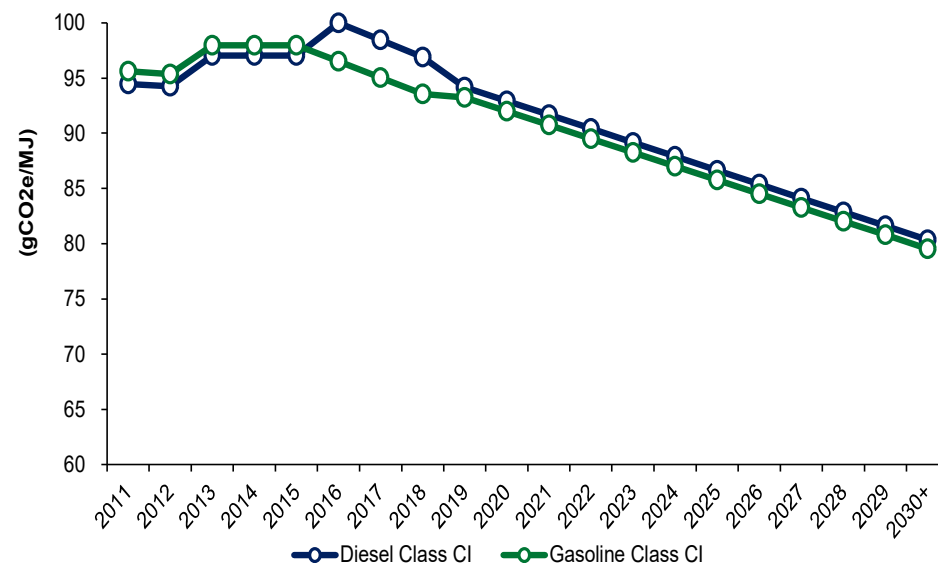
The CA LCFS is the first state-level low-carbon initiative aimed at encouraging the use and production of low-carbon fuels

- Required producers of petroleum-based fuels to reduce CI of their products
  - Targets a 10% total reduction in 2020 and a 20% reduction from 2010 levels by 2030 (which is currently under review and new more stringent carbon intensity thresholds are expected)
- On July 22, 2022, California Governor Gavin Newsom requested more stringent Low Carbon Fuel Standard targets and inclusion of new aviation clean fuel target
  - Increasing the carbon intensity reduction benchmark to 25% or 30% below 2010 levels by 2030, up from the 20% presently
- Petroleum importers, refiners and wholesalers can either develop their own low-carbon fuel products or buy CA LCFS credits from other companies that develop and sell low carbon alternative fuels, such as biofuels, electricity, natural gas or hydrogen
- Under the CA LCFS, various low-carbon transportation fuel pathways receive approved modeled CI scores by CARB based on the level of GHG emissions across the lifecycle of conversion to a low carbon fuel. The lifecycle includes the processing, production, transportation, and use of the pathway for each specific biofuel

CA LCFS Credit Price History – US\$/Credit

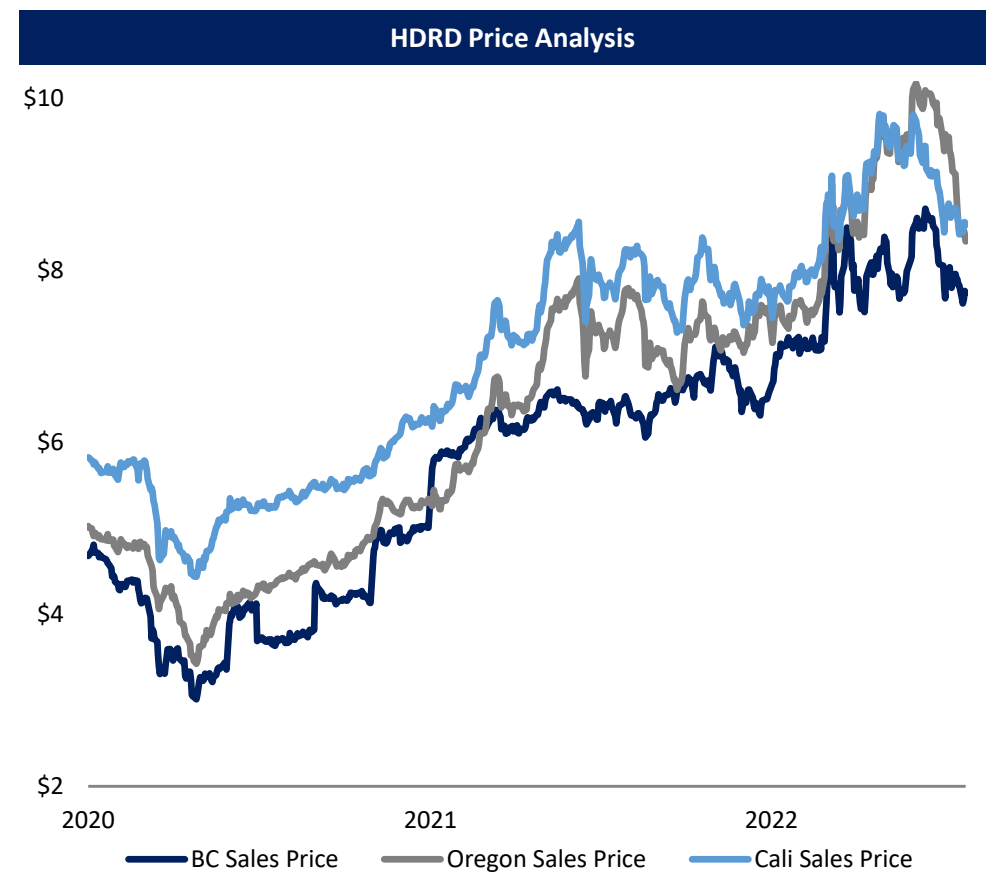
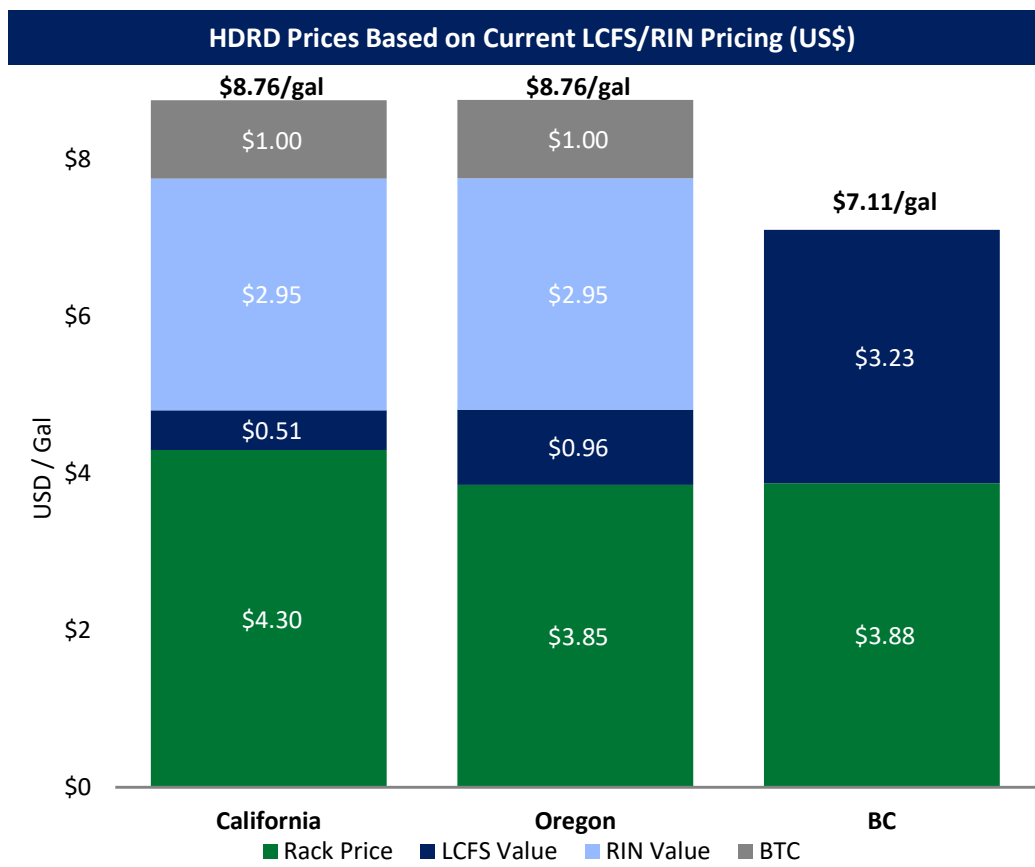
Year	Minimum	Average	Maximum
2016	\$55.00	\$100.18	\$127.00
2017	\$69.50	\$88.95	\$113.00
2018	\$112.00	\$168.35	\$200.00
2019	\$176.00	\$196.73	\$209.50
2020	\$168.00	\$200.05	\$218.50
2021	\$142.00	\$177.56	\$201.00
Q1 2022	\$112.00	\$138.36	\$153.50
Q2 2022	\$78.00	\$103.94	\$124.00
Q3 2022	\$62.50	\$85.97	\$95.00

CA LCFS CIs



# Review of HDRD Prices Across Different Markets

- Total renewable diesel sale values (comprised of the diesel sale price and government incentives that producers receive) in California, Oregon and BC are currently \$8.76, \$8.76 and \$7.11 US/gallon, respectively
- BC fuel buyers must pay an equivalent price to what the US producers can obtain domestically (i.e., California and Oregon) in order to incentivize US producers to ship renewable diesel to BC



- Assumptions Current LCFS/RIN Pricing Chart:**
- **California:** LCFS Credit Value: \$62.50 USD; Carbon Intensity 30.00; RIN Value \$1.74 USD
  - **Oregon:** LCFS Credit Value: \$116.00 USD; Carbon Intensity 30.00; RIN Value \$1.74 USD
  - **BC:** LCFS Credit Value: \$463.44 CAD; Carbon Intensity 15.00; FX Rate: \$1.37 (USD/CAD)
  - RIN/LCFS values sourced from Argus; BC LCFS values from posted values on LCFS website

