2023 Environmental, Social and Governance Report

TIDEWATER RENEWABLES

LOW CARBON CLEAN FUEL SOLUTIONS

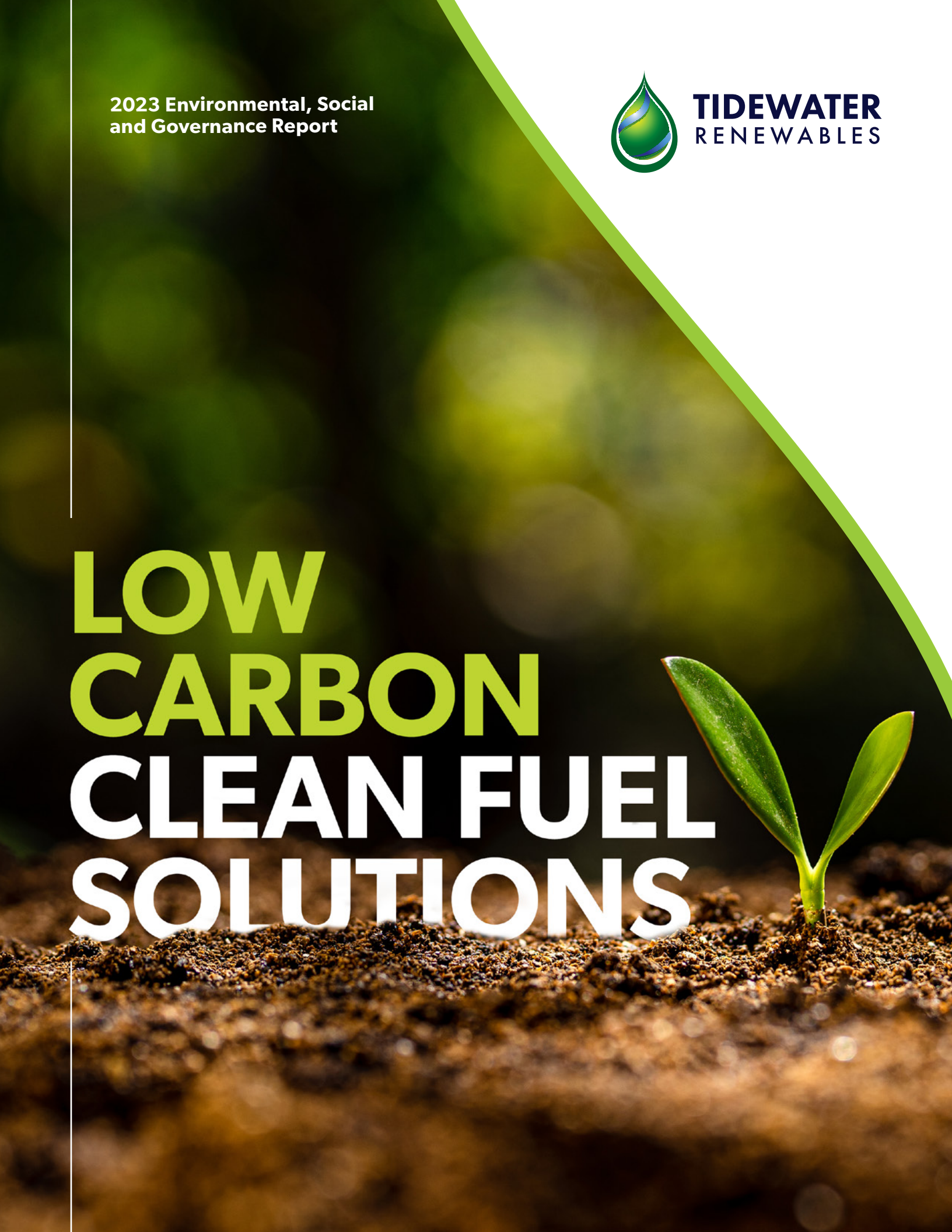


TABLE OF CONTENTS

LAND ACKNOWLEDGEMENT

Tidewater Renewables acknowledges the Indigenous people and ancestors whose land we work on. We respect the history, languages and cultures of the First Nations, Métis, Inuit and all First Peoples in the land now known as Canada. We are grateful to work, live and learn on the traditional territory of our Indigenous partners and strive to form meaningful and thoughtful relationships with each other.

About this Report

Tidewater Renewables is proud to publish its inaugural ESG Report to introduce our business, our vision, and our approach to sustainability. We are a young company with big hopes for the energy future and are excited to share how we are contributing to a lower-carbon and lower-emission economy.

In this report, we aim to provide an overview of our business, introduce our team and our values, as well as share our commitment to enhancing the communities where we work and play. This is the first report of its kind for our company, and it focuses on the development of our assets and our team. Moving forward, we will include key performance metrics and will continue to expand our sustainability reporting as our company grows.

This report contains forward-looking information or forward-looking statements. Please refer to the Forward-looking Statements on page 43. You can also find more information about Tidewater Renewables in our Management Information Circular and Annual Information Form available on our website www.tidewater-renewables.com and SEDAR www.sedar.com.

INVITATION FOR FEEDBACK

We would like to hear what you think about our Inaugural ESG Report. Please send questions or comments to: info@tidewater-renewables.com.

Message to Stakeholders

As the world continues to change and demand more sustainable energy solutions, many industries are heeding that call and adapting their businesses to produce more reliable, affordable, and equitable energy solutions. We are proud to be among those creating clean energy solutions for a more sustainable future.

Tidewater Renewables was created in response to the increasing global demand for renewable fuels and alternative energy solutions. We are in the business of turning waste materials into biofuels in the form of Renewable Diesel, Renewable Natural Gas, and Renewable Hydrogen. These reliable and affordable energy solutions help reduce waste pollution and decrease greenhouse gas emissions to reduce our carbon footprint.

Within this report, we highlight several low-carbon energy opportunities we are developing, the team behind these solutions, and our future growth opportunities. We also recognize that our business impacts the communities where we work, and we strive to enhance those communities through our projects and our charitable initiatives.

POSITIONED FOR THE ENERGY TRANSFORMATION

Tidewater Renewables' Board of Directors and Leadership Team is composed of a diverse group of individuals with extensive experience in clean technology, operations, health and safety and large scale project management. New industries like Renewable Energy require novel solutions to the challenges posed by our modern energy needs. I am excited about the projects that our talented team has embarked upon and believe the pipeline of opportunities that we have developed will lead to further advancements in our commitment to a reduced carbon future.

The partnerships we've formed with the food and agricultural industries, as well as the financial support we've received through numerous investors and our provincial and federal governments, has been extraordinary. We are excited to see our vision align with so many other organizations with the same goal to reduce our environmental impact and create more sustainable businesses.

Tidewater Renewables was created in response to the increasing global demand for renewable fuels and alternative energy solutions

CREATING ENERGY SOLUTIONS FOR A BETTER WORLD

Our entire business is anchored in creating a more sustainable future. Every product made in our operations either converts waste to energy or uses renewable feedstock sources to create energy that decreases greenhouse gas emissions, converts waste to energy and in turn decreases greenhouse gas emissions, reduces waste pollution, and produces renewable energy solutions. Each business unit offers an alternative to fossil fuel energy to power conventional transportation as well as power generation and immediately reduce their carbon impact.

Beyond creating alternative fuel solutions, we have invested in all aspects of the value chain, from feedstock sourcing to distribution. This holistic approach allows us to influence every aspect of the value chain to reduce market risks, improve efficiencies across our business and increase shareholder value.

BUILDING A SUSTAINABLE FUTURE TOGETHER

Our goal is to become one of the leading renewable fuel producers and employers in North America. Taking our company public in the summer of 2021 with only three full time staff, we have grown to a team of over 30 highly talented individuals and have two major projects underway. Our people are the key to our success and have been the drivers of our creative an innovative approach to the renewables business.

As an organization, we strive to build and foster a safe and healthy environment where our people can thrive and excel. In a short period of time, we have created a culture of recognition and reward for hard work and dedication. The enthusiasm our team brings to the table with their unique ideas and distinct approach is a testament to their dedication to improving the world in which we live.

Tidewater Renewables is keenly focused on our contributions to the communities in which we operate and serve. Our ethos was derived from the values of our employees who seek to enhance children's livelihoods, build sustainable communities, empower families, and provide support where needed. As a result, we are proud to invest in local organizations that assist new immigrants, youth mental health, and children in low-income families.

We are very excited for what lies ahead and look forward to helping our customers reduce their environmental footprint. Thank you for your support and trust in our business.

Sincerely,

Rob Colcleugh

Rob Colcleugh

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

We strive to build and foster a safe and healthy environment where our people can thrive and excel

ABOUT RENEWABLES

A Canadian energy transformation leader focused on renewable fuels

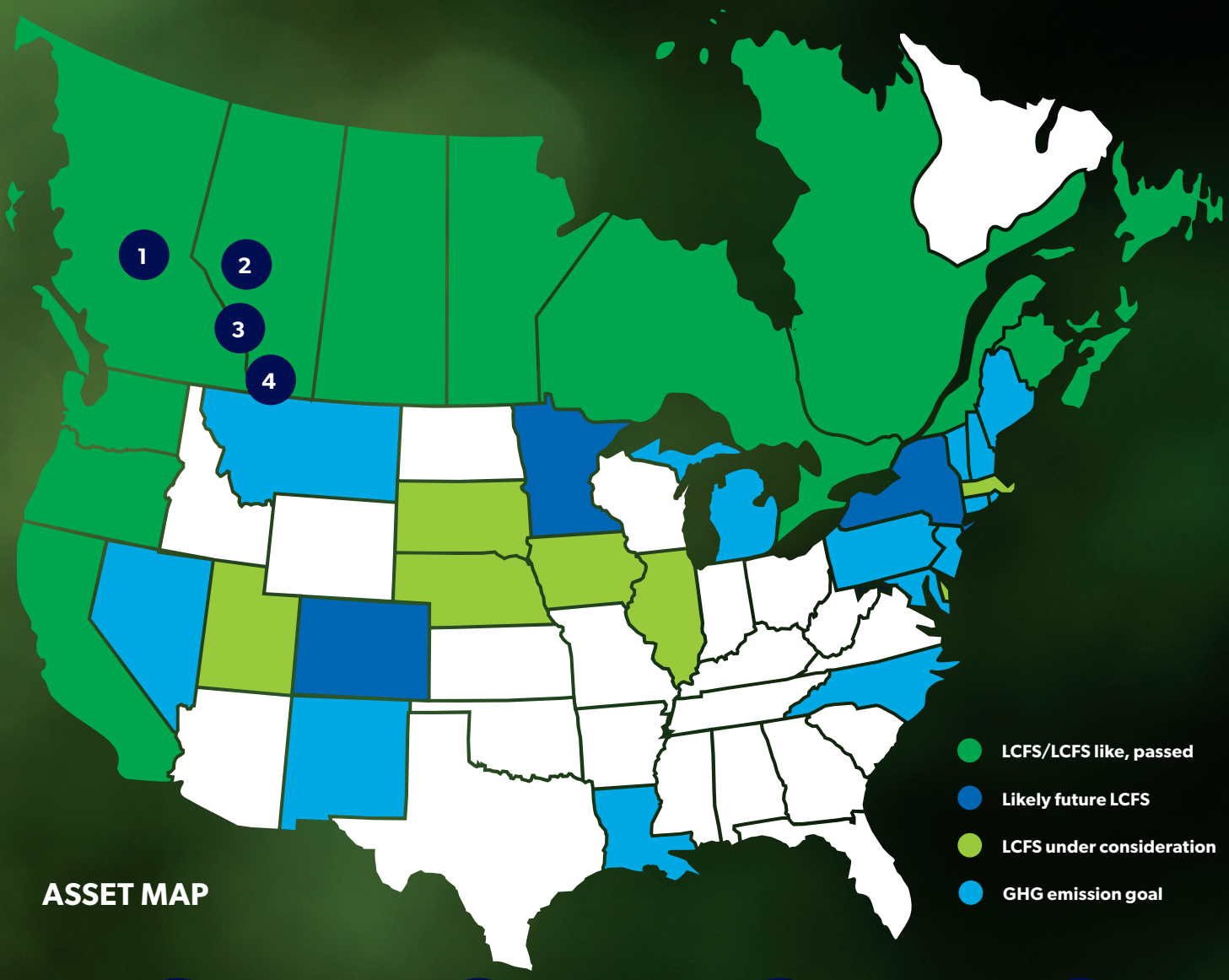
Who We Are

Tidewater Renewables Ltd. ("TWR", "Tidewater Renewables", "we", "our", and the "Corporation") is a multi-faceted, energy transformation company that was incorporated in May 2021. We were created in response to the growing demand for renewable fuels and alternative energy solutions across North America. Our focus is on the production of low carbon fuels including Renewable Diesel, Renewable Natural Gas (RNG), and Renewable Hydrogen. Our goal is to become one of the leading Canadian renewable fuel producers, with Environmental, Social and Governance (ESG) being a top priority.

The corporate headquarters of Tidewater Renewables is in Calgary, Alberta and our field operations are located across British Columbia and Alberta. Our base business was born from projects and services acquired from Tidewater Midstream & Infrastructure, which is the majority owner of TWR.

We currently have three primary business units: (i) Renewable Diesel, (ii) Renewable Natural Gas, and (iii) Renewable Hydrogen. The Corporation is also focused on expanding its renewables asset portfolio and maximizing its logistics reach throughout North America. As shown on the map below, our assets and projects are all located in, or near many of the current most advantageous markets in North America for renewable fuels given existing clean energy programs like the Low Carbon Fuel Standard (LCFS) and areas that have declared a Greenhouse Gas (GHG) Emissions Goal.

Tidewater Renewables is a reporting issuer in each of the provinces of Canada and is traded on the TSX under the symbol "LCFS".



ASSET MAP

1 Prince George

Existing Assets

- Renewable Storage and Logistics
- Hydrogen

Growth Assets

- Canola & FCC Co-Processing
- Renewable Diesel Refinery and Associated Renewable Hydrogen Production

2 Brazeau River

Existing Assets

- Natural Gas Storage

Growth Assets

- Future RNG / Hydrogen Production and Storage

3 Ram River

Growth Assets

- Future RNG Production
- Carbon Capture (existing operations but not part of drop down)

4 Rimrock

Growth Assets

- Future RNG Production

GOVERNANCE

POSITIONED FOR THE ENERGY TRANSFORMATION

ESG Highlights

Building Canada's
1st
Renewable Diesel and Renewable Hydrogen (HDRD) facility

Produced Renewable Diesel at HDRD facility will reduce consumer carbon intensity by
80-90%
compared to fossil fuel-based diesel

Our team has grown from three to
35
employees in only 18 months

Total Recordable Injury Frequency (TRIF) of
0.31
for construction of HDRD facility*

Over
$16 million
in Provincial and Federal Government funding provided through clean technology grants

25%
of Tidewater Renewable's Board of Directors are women

* As of March 31, 2023

Why Invest in Tidewater Renewables?

Tidewater Renewables provides the opportunity to invest in an energy transformation vehicle focused on producing clean, renewable fuels for the North American markets utilizing existing and proven technologies. The Corporation focuses on low carbon fuels to deliver carbon intensity (CI) reduction alternatives, including Renewable Diesel, Renewable Natural Gas, and Renewable Hydrogen.

Some of our key ESG attributes are highlighted below:

1. Producing renewable fuels that have significantly reduced CI relative to conventional fossil fuels by more than 80%, and over 100% in the case of some organic waste products (which would have otherwise escaped into the environment, are instead captured, processed and converted into energy, thus receiving a credit for having not been released into the environment).

2. Building a feedstock strategy primarily focused on inedible and waste-stream oils such as animal fats, used cooking oil, and distiller corn oil.

3. Having an experienced and diverse Board, consisting of 50% independent Directors acting in the best interest of Tidewater Renewables, of which 25% are women.

4. Sharing resources and expenses through the Shared Services Agreement with Tidewater Midstream's that provides Tidewater Renewables with experience and knowledge regarding health and safety practices and human capital management – which includes an ESG committee that meets on a bi-weekly basis to review ESG priorities and plans.

5. Pursuing projects to benefit rural communities not connected to the electricity grid to deliver clean fuels (including Renewable Diesel) to reduce their overall impact on the environment. This includes Indigenous communities that may rely on greenhouse gas (GHG) emitting diesel generated electricity and other high CI fuels.

6. Focusing on socially conscious commerce, community engagement with all local stakeholders and deepening of community relations through various events and corporate sponsorships.

7. Focusing on targeted donations and volunteering aimed at organizations that are aligned with the Corporation's values of supporting mental health, children and youth, and first- and second-generation immigrants.

Strong Leadership

Tidewater Renewables believes strong corporate governance is key to delivering superior performance and enhancing long-term value for our stakeholders. Building a new renewable energy company begins with strong leadership to guide and oversee the business.

BOARD OF DIRECTORS

The Board of Directors of Tidewater Renewables (the Board) is responsible for the stewardship of the company and oversees the management of the business and affairs of Tidewater Renewables. The Board is accountable to regularly review the operational effectiveness, financial and non-financial reporting of the company, and to ensure that the company conducts its business in an ethical and legal manner by employing the proper internal controls and oversight.

The Tidewater Renewable's Board is made up of four directors with 25% female representation, including two independent directors.

Robert Colcleugh, MBA

CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

- Chairman and Interim CEO of Tidewater as of November 2022
- Board of Director of Tidewater Midstream since May 2017
- MBA, University of Western Ontario's Ivey Business School

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
- Former Vice President of 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
- Masters degree in applied Economics, Chartered Financial Analyst designation, and attended the Harvard Business School Advanced Management Program

John Adams

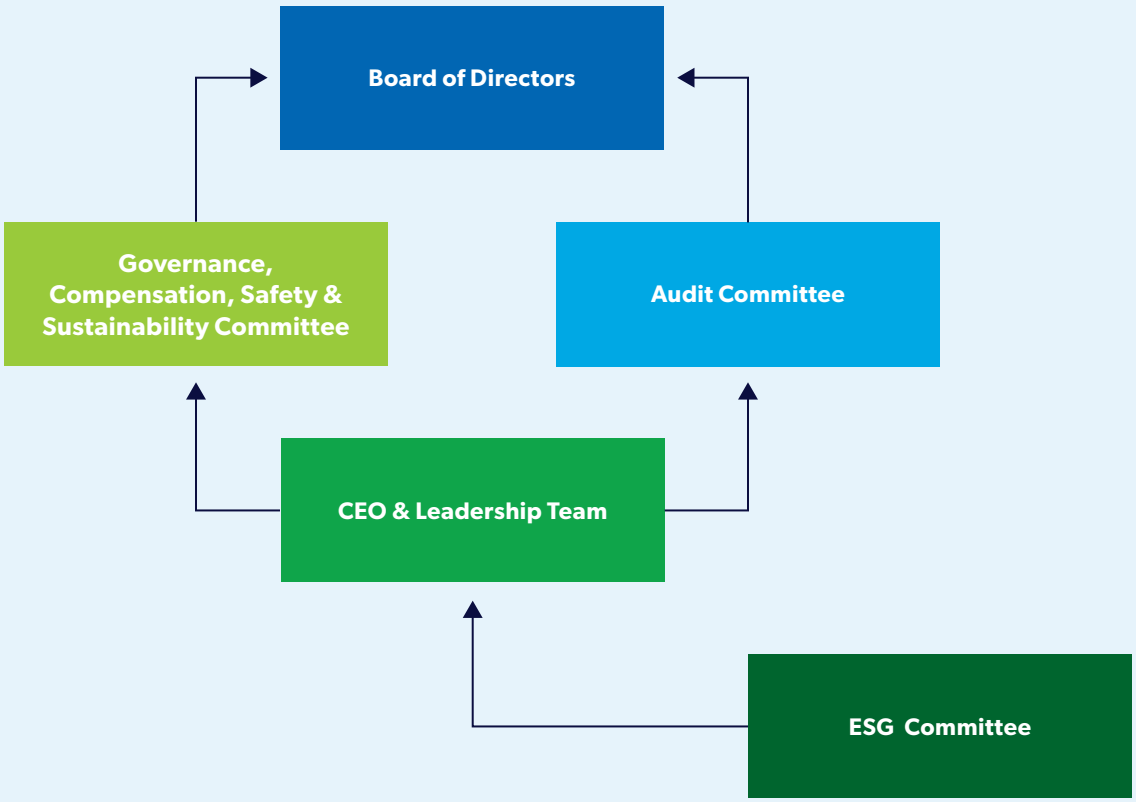
INDEPENDENT DIRECTOR

- President and Chief Eecutive Officer of NGIF Capital Corporation and Managing Partner of NGIF Cleantech Ventures
- Current member of the Clean Resources Innvovation 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 Uniersity of Toronto in Science, specializing in Environmental Science, and is a graduate of the Berkley Venture Capital Executive Program

The Board is supported by two committees who meet on a quarterly basis. The Governance, Compensation, Safety and Sustainability Committee is mandated to review, report and make recommendation on the development and implementation of policies, standards and practices for the health, safety, environment and sustainability of the company. The committee is also accountable for developing, implementing and monitoring the approach of the Corporation to matters concerning corporate governance, human resource policies, compensation of the directors, officers and employees of the Corporation to ensure alignment with the Corporation's short and long term goals.

The Audit Committee is mandated to oversee the financial reporting, public disclosures, internal controls, and risk management of the corporation.

Successful track record of executing large scale projects



LEADERSHIP TEAM

The Leadership Team is responsible for the company's sustainability strategy, performance, and execution. The Officers of Tidewater Renewables have a background in engineering, finance, corporate law, and a successful track record of executing large scale projects. 80% of the leadership team sits on the ESG Committee which oversees the ongoing development of sustainability strategies and performance management.

Robert Colcleugh, MBA

CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

- Chairman and CEO of Tidewater as of November 2022
- Board of Director of Tidewater Midstream since May 2017
- MBA, University of Western Ontario's Ivey Business School

Ray Kwan, CFA

CHIEF FINANCIAL OFFICER (CFO)

- Joined the Tidewater team in August 2022
- Former Managing Director of Institutional Equity Research at a Canadian bank
- BSc Chemical Engineering, University of Alberta
- Chartered Financial Analyst designation

Krasen Chervenkov, CFA

EXECUTIVE VICE PRESIDENT, BUSINESS DEVELOPMENT AND STRATEGY

- Joined the Tidewater team in March 2017
- Former VP Investment Banking at a Canadian bank
- BComm Finance, University of Calgary
- Chartered Financial Analyst designation

Scott McLean

EXECUTIVE VICE PRESIDENT, OPERATIONS

- Joined the Tidewater team in August 2016
- Former VP of HSE at Tidewater
- 25 years of operational, health, safety, environmental, sustainability and management expereience

Bryan Morin, JD

CHIEF LEGAL OFFICER AND
CORPORATE SECRETARY

- Joined the Tidewater team in October 2020
- Former Corporate legal counsel at TransAlta Corporation
- Juris Doctor, University of Manitoba
- 13 years of experience in M&A, Commercial Law, and Project Development

ESG COMMITTEE

The ESG Committee is responsible for ESG reporting and disclosure and the ongoing development of sustainability strategies and performance and of the Corporation. The ESG Committee is chaired by the Manager of Sustainability and is comprised of key members across the organization including the Chair of the GCSS Committee, the CEO, the CFO, Executive Vice President of Operations, and the Chief Legal Officer and Corporate Secretary. The ESG Committee meets bi-weekly to review Tidewater Renewable's sustainability initiatives, opportunities, risks, and performance.

Ethics & Transparency

Tidewater Renewables is committed to high standards of professional and ethical business practices in all our activities. Our corporate policies provide guidance on how we interact with each other and our stakeholders.

Tidewater Renewables is committed to high standards of professional and ethical business practices in all our activities

Code of Business Conduct & Ethics

Tidewater Renewables requires the highest standards of professional and ethical conduct from our directors, officers, and employees. Our reputation for honesty and integrity is fundamental to the success of our business. Tidewater Renewable's Code of Business Conduct & Ethics ("Code") reflects our commitment to a culture of honesty, integrity, and accountability and outlines the basic principles and policies with which all employees are expected to adhere in the conduct of the Corporation's business.

Important topics in the Code relate to our values, principles and reputation, emphasizing:

- Safe and healthy environment
- Non-discriminatory and harrassment-free workplace
- Confidential information and conflicts of interest
- Commitment to our employees
- Human rights and community
- Compliance with the law
- Reporting concerns and protection from retaliation

The Corporation's Governance, Compensation and Sustainability Committee is responsible for administering the Code. The Committee has delegated day-to-day responsibility for administering and interpreting the Code to the Chief Financial Officer.

Whistleblower Policy

Tidewater Renewables is committed to the highest standards of openness, honesty, and accountability. We believe in cultivating an environment where individuals can confidentially and anonymously report complaints and concerns without the fear of discrimination or disadvantage. We take all misconduct very seriously, and we expect employees and others that we deal with who have serious concerns about any aspect of the Corporation's activities and operations to come forward and voice those concerns.

Since our inception in 2021, Tidewater Renewables is proud to report no concerns have been raised through this program.

Corporate Structure

To create the fully functioning standalone business of Tidewater Renewables, the Corporation acquired certain pre-existing operating assets from Tidewater Midstream that provided an initial platform for the Renewable Diesel, Renewable Natural Gas, and Renewable Hydrogen business units.

These assets include existing logistics, processing, storage, and utilities that will facilitate the operation of the renewable fuels growth projects as they come online. The assets are co-located at select existing Tidewater Midstream facilities. This provides the added benefit of reduced operating and capital costs through the integrations of existing operations.

Organically, Tidewater Renewables seeks to continue leveraging the existing infrastructure and engineering expertise of Tidewater Midstream for the development of the Corporation's portfolio of greenfield and brownfield capital projects, as well as the expansion of the Corporation's product offerings.

Tidewater Renewables expects the legacy assets to continue to generate operating cash flows primarily from take-or-pay contracts with TWM, as the primary counterparty, and from other non-take-or-pay activities. This has provided Tidewater Renewables with stable, long-term, contracted cash flows as it continues to expand its business.

Tidewater Renewables expects the legacy assets to continue to generate operating cash flows

Driving Clean Energy Solutions Through Industry Connections

ECO DINE

At the beginning of 2022, Tidewater Renewables announced the acquisition of Eco Dine ("Eco Dine"), a used cooking oil supplier established in Calgary, Alberta. Eco Dine was founded in 2011 and is a female-led, zero waste, local, recycling company of used cooking oil waste. The raw materials collected are refined at their local facility and distributed for further use in the renewable energy sector, which help to reduce environmental pollution and greenhouse gas emissions.
Eco Dine will supply Tidewater Renewables with feedstock for the renewable fuels production from the Renewable Diesel and Renewable Hydrogen Complex in Prince George, British Columbia. Through this acquisition, Tidewater Renewables supports the sustainability of the food chain and reduces waste pollution.

RIMROCK PARTNERSHIP

In April 2022, Tidewater Renewables entered into a strategic partnership with Rimrock Feeders (Rimrock) forming the Rimrock Renewables Limited Partnership (RNG LP) and the Rimrock Cattle Company Ltd. (RCC). Rimrock and its affiliates are one of the largest cattle feeding operations in North America. This partnership will assist in securing important feedstock for current and future Renewable Natural Gas facilities.

This partnership combines the expertise of the agricultural industry and the energy industry to reduce waste, decrease emissions and produce energy solutions from renewable energy sources.

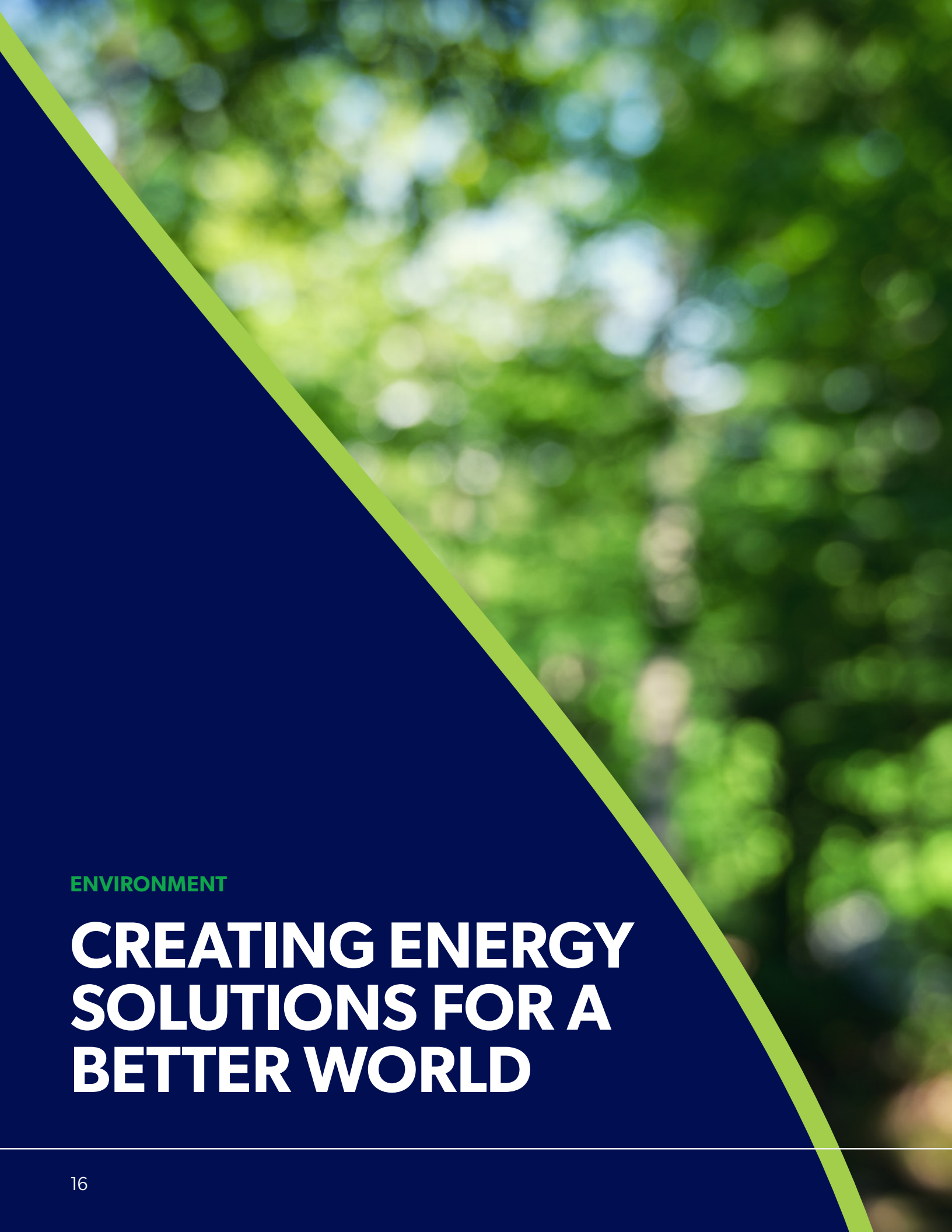
ALBERTA INVESTMENT MANAGEMENT CORPORATION (AIMCO)

In October 2022, an affiliate of Alberta Investment Management Corporation (AIMCo) made a strategic $150 million Investment in Tidewater Renewables by way of $150 million five-year senior secured second lien credit facility. As part of the AIMCo Facility, Tidewater Renewables issued warrants to AIMCo entitling AIMCo to, in certain prescribed circumstances, acquire common shares of Tidewater Renewables. Among other things, AIMCo's investment in Tidewater Renewables provided them with the opportunity to invest in renewable fuels and support the energy transition. The investment provided Tidewater Renewables with the opportunity to increase its corporate liquidity, pursue its growth projects, and partner with a strategic long-term institutional investor.

FORTISBC ENERGY INC.

In October 2022, Tidewater Renewables and FortisBC Energy Inc. ("FortisBC") entered into a 20-year agreement. Under the agreement, FortisBC can purchase up to 525,000 gigajoules ("GJ") of Renewable Natural Gas ("RNG") annually from a new RNG facility located in the Foothills County area near High River, Alberta.

This landmark deal, which is subject to regulatory approvals, can help FortisBC reduce its greenhouse gas emissions and move towards having the majority of the gas in its system be renewable and low carbon by 2050.



ENVIRONMENT

CREATING ENERGY SOLUTIONS FOR A BETTER WORLD

Our Energy Transformation Business

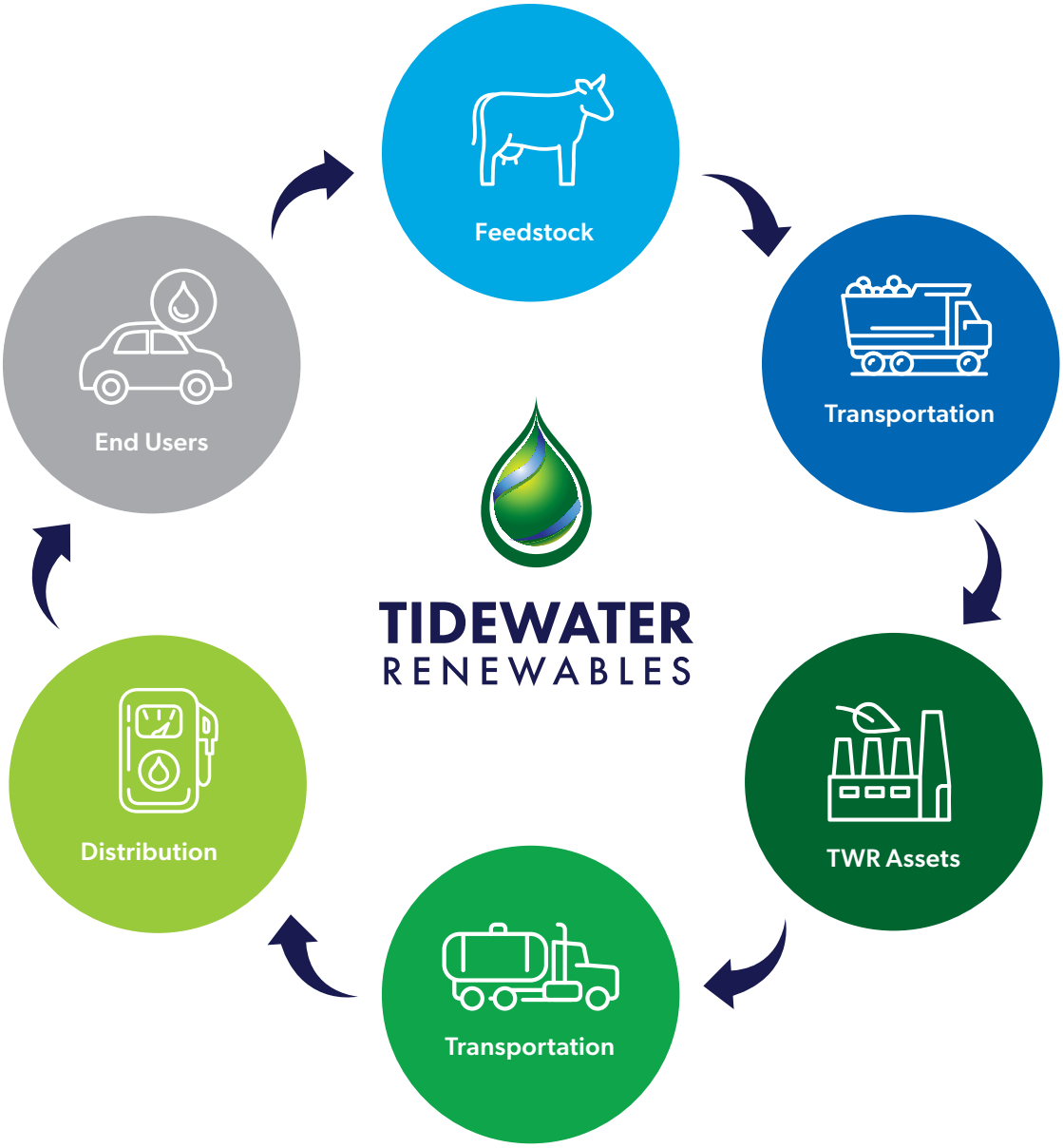
To meet the future energy needs of the world, a variety of energy products derived from both fossil fuels and renewable energy alternatives will be required. Renewable energy is energy derived from natural processes that can be replenished at low environmental cost. There are numerous sources of renewable energy including solar, wind, hydro, tidal, geothermal, solid biomass, biogas, and liquid biofuels. Tidewater Renewables intends to transform waste streams (feedstocks) in the form of biomass, biogas and liquid biofuels into reliable and affordable renewable gas and fuel energy solutions that will help reduce greenhouse gas (GHG) emissions and waste pollution.

Tidewater Renewables' goal is to become one of the leading renewable fuel producers in Canada

OUR VALUE CHAIN

Tidewater Renewables' goal is to become one of the leading renewable fuel producers in Canada. We believe that investing in all aspects of the value chain, from feedstock sourcing to distribution, will allow us to reduce market risks and diversify our sources of revenue to increase shareholder value.

In our first year of business, we have significantly expanded our business assets to include several feedstock sources, additional renewable natural gas facilities and storage, and secured offtake contracts with third parties. We continue to pursue accretive acquisitions that focus on vertical integration of our assets and complement our existing renewable fuels business units.



We believe our integrated approach, which is comprised of all aspects of the value chain from acquiring renewable feedstock, operating facilities, distributing clean fuel through a network of terminals and storage assets, and managing facility construction and upgrades, positions the Corporation to serve the growing market for low carbon fuels.

COMPANY FEEDSTOCKS AND OTHER BIOMASS SOURCES

Tidewater Renewables will produce low carbon fuels such as Renewable Diesel, Renewable Natural Gas, and Renewable Hydrogen, which will utilize various agricultural, forestry and other waste as a feedstock. Our Renewable Diesel and Renewable Hydrogen will be primarily produced from a wide variety of low-carbon feedstocks, including distillers corn oil, used cooking oil and inedible animal fats (as is currently the case in our Fluid Catalytic Cracking Co-Processing Project in Prince George). The Corporation also intends to produce Renewable Diesel from virgin vegetable oils, such as soybean oil or canola oil. We believe our ability to process a wide variety of feedstocks in our Renewable Diesel and Renewable Hydrogen Complex provides us with a cost advantage over many Renewable Diesel producers because of the flexibility to respond to changes in feedstock pricing as well as being less reliant on higher cost virgin vegetable oils.

In our Renewable Natural Gas projects, we will primarily utilize animal manure feedstock, which will be sourced from strategic locations surrounding the projects.

OUR PRODUCTS

Tidewater Renewables caters to a growing global demand base for energy and is underpinned by three core business units focusing on producing Renewable Diesel, Renewable Natural Gas and Renewable Hydrogen from biomass generated from the agricultural and forestry industries. Each renewable fuel type is unique in how it's produced, but each provides a reliable and effective alternative energy solution for consumers.

Tidewater Renewables caters to a growing global demand base for energy

Renewable Diesel

Renewable Natural Gas

Renewable Hydrogen

Renewable Diesel

Renewable Diesel is a low GHG transportation fuel which is suitable for use in diesel engines. It is produced from biomass sources derived from various forms of lipids-rich feedstocks such as used cooking oil, fish oil, animal fats, corn oil, canola oil and soybean oil. Renewable Diesel is chemically identical to petroleum diesel fuel and therefore makes an ideal substitute *without* any blending limitations. Renewable Diesel is produced using a well-established process known as hydrotreating (currently used in many petroleum refineries). This process introduces hydrogen and catalysts to the biomass feedstock under high temperatures and pressures, to remove oxygen and develop suitable molecular chains.

Renewable Diesel is often confused with biodiesel given the use of similar feedstocks but is a distinct product. Renewable Diesel can play a critical role in reducing GHG emissions by displacing conventional diesel.

Renewable Diesel holds several competitive advantages over conventional biodiesel:

- No Blending Required — Renewable Diesel can be put directly into engines while biodiesel is subject to a maximum blending limit of 20%.
- Cold Weather Reliability — Oxygen content in biodiesel makes it prone to separation and unsuitable in cold temperatures commonly found in Canada.

The substitution of Renewable Diesel for regular diesel produces up to a 90% reduction in CI for the diesel user making the use of renewable diesel an effective way to meet the increasing carbon reduction requirements across North America and the world.

Given the nearly identical properties of renewable and conventional diesel, the addressable market for Renewable Diesel is the same as the existing market for fossil fuel-based diesel. Current diesel demand in Canada and the United States is between 64 and 68 billion gallons per year, providing for significant running room for lower carbon alternatives.[1] North American demand growth for Renewable Diesel is driven by the U.S. and Canadian federal and state / provincial programs, as well as by end users acting independently to reduce GHG emissions. Global Renewable Diesel demand in 2021 was approximately 8 billion gallons per year and is expected to reach more than 13 billion gallons per year in 2030 and 18 billion gallons per year by 2040.[2]

Renewable Natural Gas

Renewable Natural Gas (RNG), or biomethane, is a carbon neutral natural gas that is used as a direct substitute for fossil fuel derived natural gas. Renewable Natural Gas is an upgraded form of biogas that can be anaerobically generated from the decomposition of organic materials or through thermochemical means such as gasification. Once biogas is upgraded, Renewable Natural Gas is almost identical to fossil fuel natural gas and can be blended into natural gas pipelines, used for cogeneration, or combusted as a vehicle fuel. RNG comes from a variety of sources including livestock farms, municipal solid waste landfills, wastewater treatment plants, waste products from food and beverage production, wood waste/biomass and organic waste management operations.

Renewable Diesel can play a critical role in reducing GHG emissions

⬇ 90%

Reduction in CI emissions from Renewable Diesel compared to regular diesel.

8 billion

Approximate Global Renewable Diesel demand in 2021

RNG reduces GHG by offsetting fossil fuel derived natural gas demand and reducing methane emissions

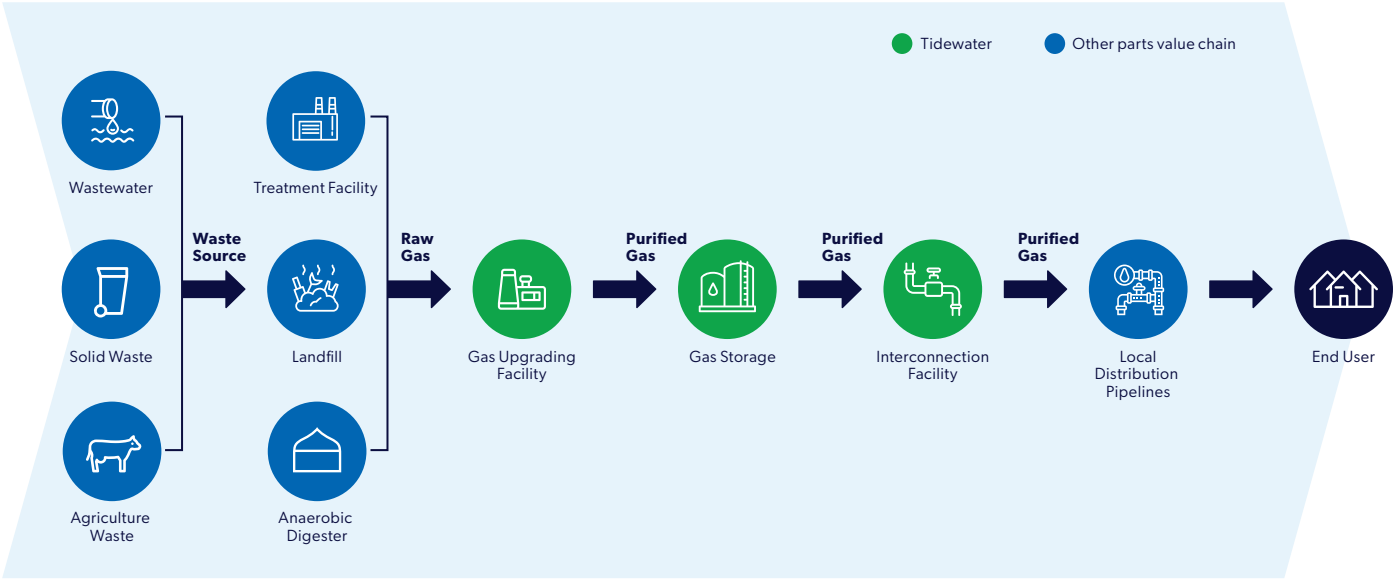
1 Source: EIA; Source: Adapted from Statistics Canada, Sales of fuel uses for road motor vehicles, annual (x 1,000), August 24, 2020. This does not constitute and endorsement by Statistics Canada of this product.
2 Source: Current demand and growth projections to 2030 based on data from LMC International, Square Commodities and Tidewater Midstream analyses. Growth projections between 2030–2040 estimated at 3% growth per annum.

RNG reduces GHG by offsetting fossil fuel natural gas demand and reducing methane emissions from decomposition of feedstock. RNG is viewed as being a carbon-neutral fuel because it harnesses methane that is derived from organic sources that have sequestered carbon throughout their lifetime. Approximately 50-65% of global methane emissions come from human activity, primarily from the energy industry, agricultural industry, and landfills. RNG captures and combusts methane gas that would otherwise be vented in the atmosphere.

What are the Benefits of RNG?

- Using RNG will in turn reduce the GHGs that would otherwise be emitted using the same amount of conventional natural gas.
- The carbon dioxide that is emitted from combusting RNG is carbon dioxide produced by living organisms which does not add to the natural carbon cycle.
- Capturing for conversion into RNG, the "waste" methane emissions prevents the release of methane into the environment that would otherwise occur if the waste is allowed to decompose naturally.

Renewable Natural Gas Value Chain



Waste Source	Raw Gas Generation	Gas Upgrading	Gas Storage	Interconnection	Distribution
Waste sources are from organic matter including from wastewater treatment facilities, agricultural waste, landfill waste, residential & commercial waste	Organic matter decomposes to create raw biogas in landfills and waste facilities Alternatively, waste is delivered to oxygen-free temperatures like a digester tank	Gas purified to contain mostly methane and CO_2 the same as convential gas Evaluating proprietary membrane/ purifying processes	Purified gas is sent to existing gas storage facilities, allowing gas upgrading to be continued at full utilization	Pipeline gathers from storage and upgrading facility and connects gas utilities' systems Potential connection to gas pipeline systems for transmission	Renewable gas is ultimately delivered to customers through utility local distribution systems

Renewable Hydrogen

At the forefront of the growing renewables industry is clean hydrogen. Clean hydrogen is hydrogen produced from zero or low emission sources. Hydrogen is the lightest element and has the highest energy density per unit mass. In its pure form, hydrogen can be used as an energy source or a raw material. When hydrogen is combined with different inputs, it becomes a hydrogen-based fuel or feedstock. Hydrogen-based fuels can be created through inputs such as biomass, fossil fuels, or electricity. Hydrogen-based fuels can be used to fuel engines, turbines, or facilitate storage. Examples of hydrogen-based fuels are synthetic-methane, synthetic fuels, methanol, and ammonia.

Canada currently ranks in the top 10 of global hydrogen producers and produces some three million tonnes of hydrogen annually for industrial use or approximately 4% of the global total (69 million tonnes per year). Most hydrogen in Canada is produced by the chemical industry from fossil fuels (53%) and the oil and gas sector (47%). Geographically, most hydrogen is produced in Western Canada (76%), followed by Central Canada (17%) and Atlantic Canada (7%).

The majority of hydrogen around the world is produced from fossil fuels (76% from natural gas, 23% from coal). This is known as grey and black hydrogen, respectively. In some cases, hydrogen from fossil fuels is produced in conjunction with carbon capture and storage, meaning that the carbon pollution is captured during production and sequestered and is referred to as blue hydrogen. Hydrogen can also be produced from electricity and water using a process called electrolysis. This method does not produce direct emissions but requires electricity. Hydrogen produced from renewable electricity (wind, solar, hydropower, tidal, etc.) is known as green hydrogen.

The Corporation remains confident in its ability to transition into a producer of blue hydrogen given internal expertise and existing carbon capture operations at Tidewater Midstream's BRC and the Ram River gas processing facility.

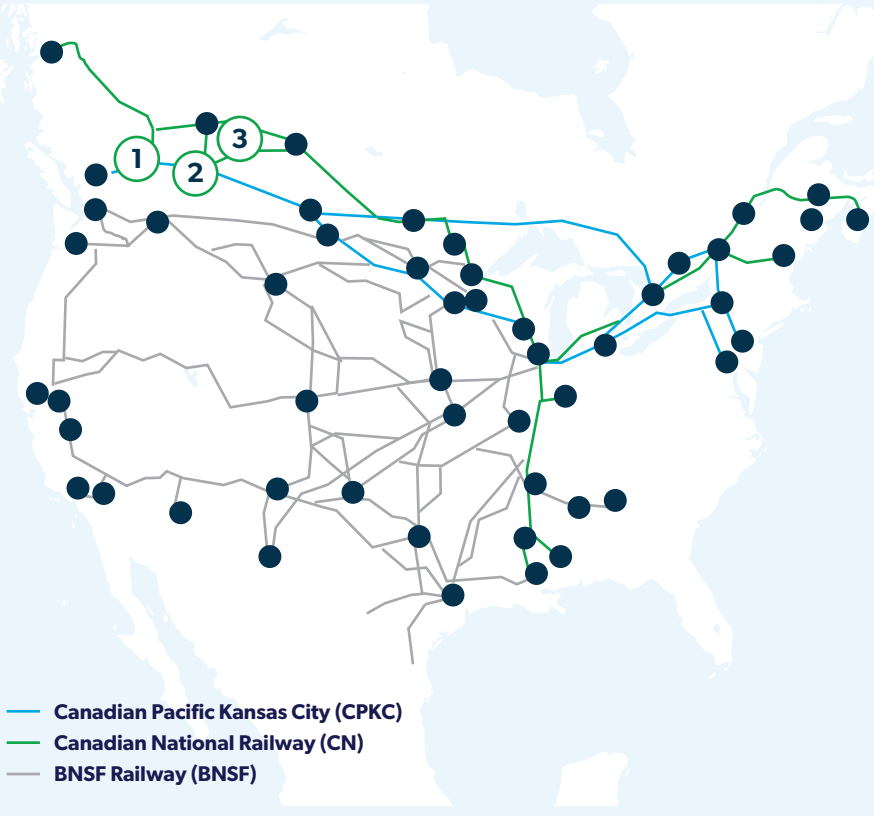
Renewable Hydrogen is hydrogen produced from zero or low emission sources

DISTRIBUTION

Tidewater Renewables plans to continue establishing a distribution system to supply Renewable Diesel, Renewable Hydrogen, and Renewable Natural Gas throughout North America utilizing existing rail and truck logistics as well as renewable storage reservoirs and sales connections to TC Energy's natural gas transmission line system. Through truck and rail rack assets at our Renewable Diesel and Renewable Hydrogen Complex, we will have access to the existing PGR on-site rail transloading and truck loading facilities for distribution of Renewable Diesel as well as a natural gas utility connection for future Renewable Hydrogen sales. The Corporation's RNG business unit may also leverage existing unit train feedstock loading and unloading capabilities at Tidewater Midstream's Ram River gas plant and various established sales connections for the delivery and distribution of RNG and Renewable Hydrogen.

Tidewater Renewables has approximately 300 leased railcars for transportation of Renewable Diesel and feedstocks. Tidewater Renewables is also focused on growing its portfolio of leased storage tanks in terminals across North America. In general, the Corporation's terminal distribution strategy in North America is focused on leasing Renewable Diesel storage tanks at large chemical product and petroleum fuel terminals so that fuel distributors and other Renewable Diesel customers can create a desired Renewable Diesel blend at the terminal before further distribution. We continue to look for terminal expansion and optimization opportunities across North America.

Tidewater Renewables can reach every major market in North America through rail connections to CPKC, CN and BNSF



Existing assets connected to all major markets in N.A.

Existing Infrastructure

+

Logistics Expertise

+

Deep Relationships

Regulatory & Sustainability Programs

The market for renewable fuels is expected to continue to see unprecedented growth over the coming years as a result of federal and provincial government support and initiatives that incentivize the market to reduce the CI of fuels produced and consumed. Specifically, alternative low carbon fuel sources are set to grow rapidly in British Columbia with the provincial government mandating CI reductions in the gasoline and diesel sold in the province, which must come from renewable sources.

Similar mandates are expected to arise across North America, providing for the opportunity to expand Tidewater Renewables business assets and significantly influence the energy transformation.

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 B.C. Liberal government and has been continued by the B.C. 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 B.C., 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%

Tidewater Renewables has entered into several sales agreements with investment-grade counterparties to sell its BC LCFS credits that the Corporation receives through the construction of the Renewable Diesel & Renewable Hydrogen Complex. These agreements not only contribute to the overall cash flow of the Corporation, but helps to reduce the value realization risk of the credits received through the BC LCFS incentive.

The Corporation anticipates that operating cash flow and its receipt and sale of BC LCFS Credits related to renewable energy projects will provide additional sources of funds for the Company to achieve its development and expansion plans and other business objectives.

Our Operations

The strategic locations of Tidewater Renewables' production assets (existing and planned) and its logistics capabilities provide it with the opportunity to maximize revenue by creating high-value products and selling them in regulatory-incentivized markets.

The current renewable fuels operations consist of Eco Dine, our Co-Processing Projects, and the Prince George Refinery (PGR) Assets, which include tanks, railcars, truck and rail rack and a unifier reactor. We are currently constructing our flagship asset and Canada's first Renewable Diesel complex – the Renewable Diesel & Renewable Hydrogen (HDRD) Complex – which is co-located at the PGR and is expected to be online in H1 of 2023.

In the past year, the Corporation has also made significant progress on its RNG business and has commenced preliminary engineering and design on its announced RNG Facility in Foothills County (near High River). This facility is currently backstopped by a 20-year offtake agreement and has a long-term feedstock supply from the Corporation's strategic partnership with Fortis BC. Additional projects in the Renewable Natural Gas and Renewable Hydrogen business units are in the planning stages (one manure based RNG project and one wood-waste based RNG project); as well as hydrogen in Alberta.

We are currently constructing our flagship asset and Canada's first Renewable Diesel complex

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. To be completed during the next scheduled PGR turnaround, currently scheduled for Q2 2023.

Both Co-Processing Projects have received material B.C. 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.

RENEWABLE DIESEL REFINERY AND ASSOCIATED RENEWABLE HYDROGEN COMPLEX

The Renewable Diesel & Renewable Hydrogen Complex is expected to be Canada's first Renewable Diesel project and will be Tidewater Renewables' flagship asset.

The Renewable Diesel & Renewable Hydrogen Complex is Tidewater Renewables' largest renewable initiative – a 3,000 bbl/d Renewable Diesel and Renewable Hydrogen facility located on-site at the Prince George Refinery. The Renewable Diesel and Renewable Hydrogen Complex will be a stand-alone renewables complex focused on 100% renewable feedstock and will include a pre-treatment facility to provide Tidewater Renewables significant flexibility on running various renewable feedstocks.

When the Renewable Diesel & Renewable Hydrogen Complex is completed we plan on utilizing its existing infrastructure and strong refining presence in B.C. for the production, distribution and logistics associated with getting the Renewable Diesel to customers. As part of the Corporation's integrated model, Tidewater Renewables will be procuring feedstocks provincially, nationally, and at times internationally, and converting those natural fats, oils and greases into Renewable Diesel and Renewable Hydrogen. We also plan on utilizing a wide variety of low-cost and waste-stream feedstocks, including animal fats, used cooking oil and distillers corn oil.

The consumer use of the produced Renewable Diesel and Renewable Hydrogen is expected to reduce CI and related GHG emissions by approximately 80-90% and 65-75% relative to conventional diesel and natural gas, respectively (based on the CI methodology outlined by B.C.). The associated CI reductions represent the equivalent of removing approximately 70,000-80,000 vehicles from the road annually.[3] The Company is currently working through additional means to further reduce the CI of the Renewable Diesel and Renewable Hydrogen.

As of Q1 2023, >600,000 worker hours with a Total Recordable Injury Rate (TRIF) of 0.31 for the project

⬇ 80-90%

Less carbon intensity of renewable diesel and gasoline compared to conventional fuels

3 Source: Management's calculations based on fuel consumption ratings published by Natural Resource Canada.

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.

Building Canada's first 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 B.C. government plans for having 1.3 billion liters of renewable fuel production in the province by 2030

RENEWABLE NATURAL GAS PROJECTS

Tidewater Renewable's RNG Assets are located in Southern Alberta and are comprised of a Gas Storage Pool asset with existing gas storage, and RNG & hydrogen potential. In addition, Tidewater Renewables has access to existing carbon capture reservoirs, large sour gas plants for processing and removal of CO_2 and other impurities, unit train rail loading capabilities, large natural gas sales connections to TC Energy's natural gas transmission line system, and gas storage (which currently moves large volumes of natural gas across North America).

Expanding upon its RNG assets, the Corporation recently formed a partnership to develop a new RNG facility ("the RNG Project") located in Foothills County near High River, Alberta. The new facility is expected to be online in 2024.

RNG 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.

FOOTHILLS COUNTY RNG FACILITY

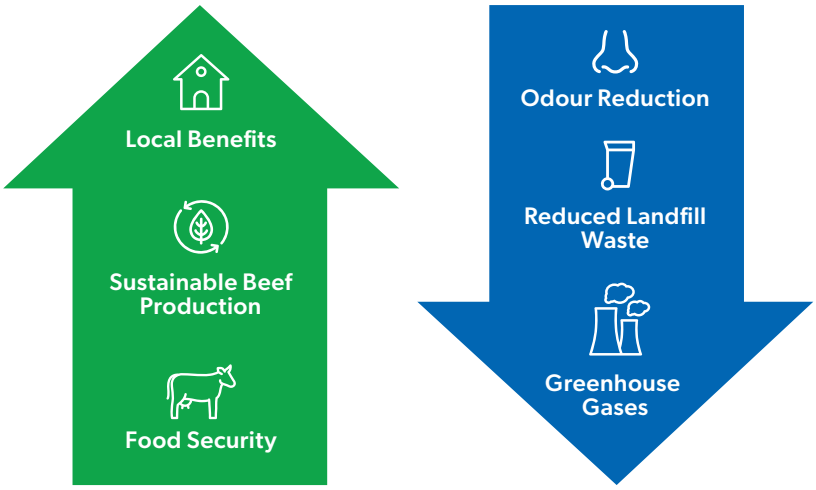
The RNG Project will construct an on-farm biodigester facility to capture greenhouse gases (GHGs) from livestock manure and organic food resources and convert them to renewable natural gas. Today, those greenhouse gases (which are also odour causing), are currently being released to the atmosphere. The primary objective of the proposed facility is to capture as much of those gases as possible.

The proposed RNG Project will be utilizing technology from local and international suppliers to provide the most efficient and safe technology that will reduce waste, decrease global emissions, and produce renewable energy. Tidewater Renewables is proposing to construct an on-farm biodigester facility to capture greenhouse gases (GHGs) from livestock manure and organic food resources and convert them to a usable energy resource called renewable natural gas (RNG). Today, those greenhouse gases (which are also odour causing), are currently being released to the atmosphere. The primary objective of the Rimrock Biodigester Facility is to capture as much of those gases as possible. Currently within Canada, there are about 300 operating biogas projects. Approximately 15% of these projects have agricultural biodigesters to treat manure and organic food resources to create biogas.

The biodigesters and biogas treatment are closed systems, which means that local odours will decrease, and the overall air quality of the community will increase. In addition, the by-products generated from the biodigester contain valuable nutrients that can be applied to land as a soil amendment to encourage healthy landscape and watershed development by replenishing the soil with nutrients. As part of our stakeholder engagement process and landowner consultations, our team has conducted the following:

- 30+ in-person meetings
- 100+ phone consultations
- 200+ email conversations
- Provided responses to 500+ questions

We have also held an information session and created a project website to answer any questions and address concerns from stakeholders.



The proposed RNG Project will produce enough RNG to heat ~6,000 homes per year

SOCIAL

BUILDING A SUSTAINABLE FUTURE TOGETHER

The Renewables Team

Since 2021, when the Corporation was first formed, our team has grown from three people to over 30. We are extremely proud of the diverse team we've created with various backgrounds, levels of experience and a unique passion for our company vision. Our people are the drivers of our success and have been instrumental in how the company has developed its products, partnerships, and projects. We are grateful for their creativity and ingenuity in building a top-tier renewable energy company.

Our people are the drivers of our sucess

KEEPING OUR PEOPLE AND COMMUNITIES SAFE

Safety is a top priority at Tidewater Renewables. We believe that strong Health, Safety and Environment performance is essential to the success and growth of our business. Our objective is to be recognized as an industry leader in Health, Safety and Environment through managing our activities in a sustainable manner with respect to our workforce, our communities, and the environment.

As a growing company with many new projects in the works, we work diligently to ensure that we have the proper health and safety measures in place to support our people and ensure projects are completed without harm. Our leadership team has extensive experience in steering capital projects safely and to fruition.

We believe in having a program that is fit-for-purpose. We are focused on six key elements to drive our health, safety, and environment culture:

1. Management Leadership
2. Worker Participation
3. Hazard Identification and Assessment
4. Hazard Prevention and Control
5. Education and Training
6. Program Evaluation and Improvement

Our belief is that process and personal safety related incidents, and occupational illnesses, are preventable. We are committed to managing activities to minimize or eliminate adverse Health, Safety or Environmental impacts.

We believe individual success leads to team success and have built our core values based on teamwork

SUPPORTING OUR PEOPLE

At Tidewater Renewables, we want to create a winning culture where our people feel valued and supported, have room to develop their skills, and are properly compensated for their work. We believe that individual success leads to team success and have built our core values based on teamwork, professional development, and recognition. Our culture is based upon our shared values as a team and our vision of creating a leading renewable energy company. We believe in creating an inclusive and diverse team that is built upon hard work, trust, and collaboration.

PROFESSIONAL DEVELOPMENT

In our first year, we have experienced significant growth and recognize that our people are the key to ensuring we continue to expand our business. Ensuring their development and training is meaningful and thoughtful is important to our business advancement and success. We currently provide our team with training and development opportunities that will enhance their role at the Company and give them additional tools to excel. This includes safety and technical training, conferences, and courses. For our succession planning, we are also developing a leadership strategy that will identify top leadership candidates with potential for advancement.

DIVERSITY, EQUITY & INCLUSION

Tidewater Renewables is an equal opportunity employer and strives to be an employer of choice. We believe in diversity of thought and experience and value the perspectives, experience, and ideas that our people bring to the organization as a result of their age, gender, education, and background.

At the beginning of 2023, we held a Lunch and Learn for our staff on Diversity, Equity and Inclusion (DEI). We wanted to create a foundational understanding of DEI and its importance in the workplace. As a company, we value the benefits of a diverse range of perspectives, lived experiences, and ways of thinking. Through this lunch and learn, we hoped to support and promote the voices of our staff and create a more inclusive environment.

The lunch and learn is only a starting point of our education and learning. As a company, we will continue to seek feedback from our staff on how to expand our DEI training and awareness to continually improve our culture.

Gender Pay Equity

As part of our commitment to creating an inclusive and equitable place to work, Tidewater Renewables completed a gender pay equity analysis during Q1 of 2023. We will be conducting this type of analysis on a yearly basis as part of our annual compensation reviews and our recruitment process.

COMPENSATION & RECOGNITION

We believe in rewarding and recognizing individuals for a job well done. Tidewater Renewables provides a competitive compensation and benefits package for its employees. We have a flexible plan that provides our team with access to health and wellness compensation, as well as additional coverage with Best Doctors®, Global Medical Assistance and short- and long-term disability. Through our Employee Family Assistance Plan, employees also get complimentary access to a variety of professional support resources and tools.

We believe in rewarding and recognizing individuals for a job well done

EMPLOYEE OF THE MONTH

In 2023, Tidewater Renewables launched its Employee of the Month award. Every month, members of the executive team nominate an exceptional employee that went above and beyond in their jobs. The winner is given a prize to recognize their contributions to the team. We are extremely proud of our staff for making Tidewater Renewables a great place to work!

Stakeholder Engagement

Tidewater Renewables is committed to meaningful engagement and consultation with stakeholders to promote and facilitate strong relationships and provide reliable and transparent communication. We will work with our stakeholders to ensure we are operating with safety at the forefront, integrity, and dependability.

Being a good neighbor is a commitment we make throughout the entire lifecycle of our projects. We approach our projects by:

- Acting with integrity and holding ourselves accountable.
- Committing to ongoing, transparent communication.
- Answering questions about the project and its impact in a timely manner.
- Being honest about any shortcomings and our plans to address them.
- Striving to earn and retain your trust by being a reliable and honest operator.

Being a good neighbor is a commitment we make throughout the entire lifecycle of our projects

Stakeholders	Engagement Activities	Frequency
Customers	Regular meetings and communications through email or phone to discuss commercial, operational, or financial matters.	Weekly
Communities	Public consultation, community engagement, volunteering, website development, developing communication programs, and partnering with local and regional organizations.	Monthly/Quarterly
Employees	Regular all-company meetings, annual reviews, company intranet, team building and social events, dedicated human resources business partners.	Daily
Government/Regulators	Compliance with current standards and guidelines, participation in policy evaluation, early engagement with regulators, joint effort public consultation.	Weekly
Partners/Investors	Regular meetings, investor conferences, annual general meeting, quarterly earnings conference call.	Weekly

Community & Local Impacts

Tidewater Renewables is committed to being a respectful and trusted community partner in every area that we operate. We invest directly back into the community through hiring locally, maintaining strong partnerships and donating to local charities that support new immigrants, mental health, and low-income families. These three focus areas for our charitable giving were identified organically by understanding the values of our employees and focusing our investments on organizations that meet these criteria.

Our ethos is grounded in enhancing children's livelihoods, building sustainable communities, empowering families, and providing support where needed.

We are proud to have invested in several initiatives in our first year of business that support new immigrants, children in low-income families, and provide mental health resources to children and youth.

Enhance children's **L**ivelihoods
Build sustainable **C**ommunities
Empower **F**amilies
Provide **S**upport

YOUTH CENTRES OF CALGARY

The Youth Centres of Calgary provides a safe space for children aged 9-15 where they can find healthy homemade snacks, hot food and after school programs. YCC operates out of welcoming, warm, home-like settings within walking distance of school or homes in vulnerable communities. They are focused on three key priorities: 1) meeting the most basic human needs including food security, 2) building a kid's capacity to break the cycles of poverty and to become healthy, happy, contributing citizens, and 3) building a strong and inclusive community around kids who may not otherwise feel that they belong to one.

YCC is lead by Executive Director, Jane Wachowich, who recently was awarded the Citizen of the Year Award for 2022 in Calgary. Jane puts a lot of thought and effort into cultivating partnerships and relationships with schools, sports groups, charitable organizations, volunteers, and anyone who shares her vision to ensure her YCC kids are well taken care of and have many resources at their disposal.

Tidewater Renewables is proud to support Jane and her team to break the cycle of poverty one child at a time!

WOOD'S HOMES

Wood's Homes is a mental health centre for children and youth aged 16-29. They provide treatment and support to children, youth, and families with mental health needs. Originally founded as an orphanage by Reverend George Wood in 1914, they are a place of caring and trust. A place you can turn to for help when you don't know what else to do, or when you have nowhere else to turn.

Wood's Homes
Working For Children's Mental Health
Since 1914

On any given day, the centre is home to approximately 150 young people, across all their campuses. They believe in a family-centred philosophy and recognize all definitions of family. Wood's Homes provides over 40 programs and services including In-Home & Counselling Services, Therapeutic Campus Care, Foster Care, Therapeutic Foster Care, Parented Group Home, Community Group Care and Specialized Group Care, Housing & Hub Services, and Learning Centres.

Tidewater Renewables is honored to be a part of Wood's Homes 100+ year legacy to improving mental health for youth!

Building and Investing in a Sustainable Future

As the world transitions to a low-carbon economy, the demand for renewable fuels is growing at a rapid pace. Canada is one of the largest agricultural biomass producers and exporters in the world and bioenergy could play a major role in fostering green energy development. Tidewater Renewables believes that investing in the research and development of new ideas and technologies to accelerate the production and refinement of clean fuels will produce the next generation of alternative energy solutions.

In the first quarter of 2022, Tidewater Renewables announced a multi-year partnership with the University of Saskatchewan (U of S), which will focus on a variety of renewable feedstocks, catalyst synthesis and conversion technologies to produce clean fuels such as renewable natural gas, renewable diesel, and sustainable aviation fuel. Currently, the team is working on two different research projects focused on producing low-carbon and sustainable transportation fuels and renewable natural gas (RNG) from the agriculture and forestry feedstocks (waste) that are underutilized and currently have low-economic value.

Investing in new clean fuel ideas and technologies will produce the next generation of alternative energy solutions

SUSTAINABLE TRANSPORTATION FUELS

About 35 million dry tons of biomass are available in the Canadian prairies, which can be utilized for bioenergy production. Most of the produced agricultural residues are either used as fodder or bedding material for cattle, while the remaining is used for briquetting or bio-composites production. Still, a huge quantity of biomass (waste) is leftover and could be a promising feedstock for producing biocrude that is identical to conventional crude with added processing and upgrading.

During the production of biocrude and upgradation stages, the process parameters would be optimized to maximize the production of biocrude and transportation fuels. This research project is bridging the gap between producing less carbon-intensive sustainable transportation fuels (diesel, gasoline, and sustainable aviation fuels) from agro-forestry feedstocks. At the end of the project, the economic feasibility and environmental impacts of the biorefinery approach will be evaluated for the finest technology.

SUSTAINABLE RENEWABLE NATURAL GAS

The increasing world population and oil price instability have caused an increase in the demand for natural gas in the last decade. In North America, the demand for natural gas is expected to continue to rise due to its utilization in heating buildings, refrigeration, and cooling equipment and as a fuel in combined heat and power systems. Biomethane is considered a feasible alternative to natural gas due to its renewability. There are about 19,000 medium- and large-scale biomethane production plants operating in Europe. The U.S. has over 2,200 plants, while Canada currently has 61 operational anaerobic digestion plants. Similar to biomethane, bio-syngas is another combustible gaseous fuel that can be used for combined heat and power generation.

Industrial and commercial organic waste, grease traps, slaughterhouse waste, brewery wastewater, and crop residues are the primary feedstock sources for this project. Various thermochemical and biochemical routes will be assessed to enhance the yield of renewable natural gas. The thermochemical and biochemical routes will be assessed to determine the most promising route in terms of economics and environmental impacts.

THE U OF S TEAM

Based out of the Department of Chemical and Biological Engineering, our U of S team is led by Distinguished Professor Ajay K. Dalai and Dr. Venu Babu Borugadda, TWR's Manager of Research and Development. Prior to joining Tidewater Renewables, Dr. Borugadda was a MITACS Postdoctoral Fellow at U of S. He received his Ph.D. in Chemical Engineering from the Indian Institute of Technology Guwahati, India in 2016 and Master of Technology degree with Petroleum Refinery Engineering specialization from the same University in 2011. Dr. Borugadda has over ten years of research and development experience in biomaterials processing, bio-lubricants, and the production of biofuels and biochemicals.

The team includes post-doctoral researchers, Ph.D., MSc., undergraduate students, visiting researchers, and summer interns from across the globe, of which 60% are women. The academic expertise of the U of S Team and the practical knowledge of

35 million

dry tons of biomass available to be used for bioenergy production in Canada

In North America, the demand for natural gas is expected to continue to rise

the TWR Team makes for an exceptional partnership that bridges academia with industry. The research team meets regularly with the TWR Team to share ideas and ensure knowledge transfer between the academic and industry teams. Through this collaborative method, the academic team builds upon their scientific knowledge through applying their theories in real-life scenarios and using new technologies to advance their research, and the TWR team invests in finding new and innovative methods to deliver renewable energy more efficiently and effectively.

With the knowledge, experience, and available facilities at the U of S, these research groups are capable of successfully achieving the set objectives of these research projects. Tidewater Renewables Ltd. is excited to play a vital role in producing bioenergy in the form of transportation fuels and renewable natural gas through these research projects at the U of S.

Tidewater Renewables is excited to play a vital role in producing bioenergy

Looking to the Future

As we look ahead to the future, our team can't help but be excited. In less than two years, we have grown our business significantly and have two major projects underway that will bring new energy solutions to the masses.

In the next few months, we will be commissioning Tidewater Renewable's flagship asset and Canada's first Renewable Diesel and Renewable Hydrogen facility. This project will bring Renewable Diesel to customers across North America to immediately reduce their carbon footprint and significantly reduce greenhouse gas emissions. In addition to the environmental benefits of this facility, the completion of this project is a testament to the power of collaboration between the energy and agricultural industries, and provincial and federal governments.

Building upon this accomplishment, we are working on our second major project that will produce Renewable Natural Gas which can be used as an alternative to fossil fuel-based natural gas. This project will provide enough energy to heat approximately 6,000 homes and will improve the livelihoods of the community by reducing air emissions and odours from agricultural activities.

Through our partnership with the University of Saskatchewan and our business development team, we've identified over $2.0 billion in organic and inorganic growth opportunities. We are actively evaluating opportunities that would expand our project pipeline of renewable fuels into Sustainable Aviation Fuel (SAF), Renewable Gasoline and Renewable Hydrogen.

All of these projects are possible because of the people and culture we've built at Tidewater Renewables. We are excited to continue to support and develop our team, as well as be an active partner in the communities where we operate.

We are proud to be a part of this energy transformation and look forward to its possibilities!

We are excited to continue to support and develop our team, as well as be an active partner in the communities where we operate

Coldest Night of the Year 2023 – Tidewater Renewables Team

Glossary and Abbreviations

In this report, unless otherwise indicated or the context otherwise requires, the following terms and abbreviations shall have the indicated meanings. This is not an exhaustive list of defined terms and additional terms are defined throughout:

"affiliate" or **"associate"** has the meaning ascribed thereto in the Securities Act (Alberta), as amended from time to time;

"BC" means the province of British Columbia, Canada;

"BC LCFS Credits" means the credits awarded to 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, which credits may be transferred upon validation;

"biogas" means the gas that is produced by anaerobic decomposition or thermochemical conversion of biomass;

"Board" means the board of directors of the Corporation;

"BRC" means Tidewater Midstream's Brazeau River Complex located in the West Pembina region in central Alberta;

"BTC" means U.S. blender's tax credit, a per gallon biodiesel mixture credit established under the *American Jobs Creation Act of 2004*;

"CCS" or **"CCUS"** mean, carbon capture and storage and carbon capture, utilization and storage, respectively;

"CFS" means the proposed Clean Fuel Standard regulation, to be established under the *Canadian Environmental Protection Act, 1999. See "Regulatory Framework – Canadian Clean Energy Regulatory Incentives – Canadian Clean Fuels Standard"*;

"CI" means carbon intensity as specified and calculated under each specific government methodology, where certain calculation differences may exist from one jurisdiction to another;

"CO_2" means carbon dioxide;

"Corporation" or **"Tidewater Renewables"** means Tidewater Renewables Ltd.;

"Director" means a member of the Board;

"EIA" means the United States Energy Information Administration;

"ESG" means environmental, social and governance;

"FCC" means fluid catalytic cracking;

"feedstock" means a raw material required for an industrial process such as crude oil refining;

"gasoline" means a volatile, flammable liquid mixture of hydrocarbon obtained from crude oil;

"GHG" means greenhouse gas;

"GJ" means Gigajoule;

"greenfield projects" means projects that are capacity additions where there are no previous civil works in place;

"Grey Hydrogen" means hydrogen produced by steam methane reformation without carbon capture and sequestration;

"HDRD" or **"Renewable Diesel"** means hydrogen derived renewable diesel;

"LCFS" means low carbon fuel standards;

"Management" means, collectively, the executive officers of the Company;

"MMcf/d" means million cubic feet per day;

"petroleum" means a naturally occurring mixture consisting predominantly of hydrocarbons in the gaseous, liquid or solid phase, and as referenced in this AIF, includes oil and NGL;

"PGR" means the Prince George refinery – a 12.0 Mbbl/d light oil refinery located at Prince George, BC, owned by Tidewater Midstream;

"Ram River" means Tidewater Midstream's Ram River gas plant facility, located west of Rocky Mountain House, Alberta;

"refined products" includes gasoline and low sulfur diesel from the PGR;

"Renewable Diesel" or **"HDRD"** means a biomass-based diesel fuel that is chemically the same as petroleum diesel fuel;

"Renewable Diesel & Renewable Hydrogen Complex" means the facility resulting from the Renewable Diesel Project and the Renewable Hydrogen Project.

"renewable fuels" includes Renewable Diesel, Renewable Hydrogen and RNG;

"Renewable Hydrogen" means hydrogen produced from renewable liquid fuels which are reacted with hightemperature steam;

"Renewable Natural Gas", **"RNG"** or **"biomethane"** means biogas, which is produced by anaerobic decomposition or thermochemical conversion of biomass, that has been refined to remove carbon dioxide, water vapor, and other trace gases so that it meets natural gas industry standards;

"RFS" means the United States Renewable Fuel Standard;

"RINs" means Renewable Identification Numbers established under the EPA;

"SAF" means sustainable aviation fuel, biokerosene, which is made by blending kerosene with renewable hydrocarbons;

"Shareholder" means a holder of Common Shares;

"subsidiary" has the meaning ascribed thereto in the ABCA;

"take-or-pay" means a form of contract in which the payor is obligated to pay regardless of whether or not the payor uses the services, volumes or capacity available under the contract;

"Tidewater Midstream" means Tidewater Midstream and Infrastructure Ltd.;

"TSX" means the Toronto Stock Exchange;

"United States" or **"U.S."** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

Forward-looking Statements

Certain information regarding Tidewater Renewables Ltd. set forth in this document, including management's assessment of the company's future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. This information may not be appropriate for other purposes and includes aspirational goals, approximations, and estimates, which will differ from actual results, and is for information purposes only. The use of any of the words "anticipate", "continue", "estimate", "project", "intends", "expect", "may", "will", "project", "should", "forecast", "target", "goal", "believe" and similar expressions are intended to identify forward-looking statements. Such statements represent Tidewater's internal projections, forecasts, estimates, or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital investment or expenditures, production, cash flow and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events, or results may differ materially. Although Tidewater believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations reflected in the forward-looking statements are inherently subject to significant business, economic, competitive, political, and social uncertainties, and contingencies. Many factors could cause Tidewater's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Tidewater. In particular, forward-looking statements included in this document include, but are not limited to, statements with respect to: Tidewater's future operating results; Tidewater's role in sustainable energy solutions; goals and plans of the company; our environmental, social, and governance (ESG) plans outlined in the "Looking to the Future" section of this report, including those related to greenhouse gas emissions reduction, safety and performance and standards, diversity and inclusion, indigenous relations, and ESG reporting; the further integration of sustainability considerations into our business; our corporate vision and strategy; the COVID-19 pandemic and the duration and impact thereof; expected supply of, demand for, and prices of renewable fuels, renewable natural gas, and other related petroleum products; the expected roles of different energy sources and our company in the transition to a lower-emissions economy; the health, safety, and environment of our employees and contractors and the attraction and the retention of our employees; and community and stakeholder engagement and investment. Although we believe these forward-looking statements are reasonable based on the information available on the date such statements are made, and processes used to prepare the information. Such statements are not guarantees of future performance and are subject to numerous risks and uncertainties, most of which are beyond the company's control, including the impact of general economic conditions; industry conditions; liabilities inherent in operations in the energy industry; energy transition, including the drivers and pace thereof; the COVID-19 pandemic and the duration and impact thereof; exchange rates; inflation; interest rates; availability and price of labor and construction materials; weather; litigation; changes in legislation, regulations or government policy; environmental risks; hazards such as fire, explosion, blowouts, and spills, any of which could result in substantial damage to our facilities, other property and the environment or in personal injury; and the other risks considered under "Risk Factors" in Tidewater's most recent annual information form available at www.sedar.com. Management has included the above summary of assumptions and risks related to forward-looking information provided in this document to provide shareholders with an understanding of Tidewater's future operations and such information may not be appropriate for other purposes. Tidewater'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 so, what benefits that the company will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this document and the company disclaims any intent or obligation to update publicly any forward looking statements, whether because of new information, future events, or results or otherwise, other than as required by applicable securities laws. All forward looking statements, whether written or oral, attributable to us or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

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