TIDEWATER

Renewables Ltd.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2022

March 8, 2023

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GENERAL MATTERS

The information in this annual information form ("**AIF**") is given as at and for the financial year ended December 31, 2022, unless otherwise indicated. All dollar amounts set forth in this AIF are in Canadian dollars, unless otherwise indicated.

The audited consolidated financial statements for the year ended December 31, 2022, and related annual management's discussion and analysis, of Tidewater Renewables Ltd. are hereby specifically incorporated by reference in this AIF. Copies of these documents are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com under the Company's profile.

Interpretation

Unless otherwise indicated or the context otherwise requires, references in this AIF to (i) the "Company" or "Tidewater Renewables" refer to Tidewater Renewables Ltd.; and (ii) "Tidewater Midstream" refers to Tidewater Midstream and Infrastructure Ltd. and its subsidiaries.

Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement, as it may be amended, supplemented or restated from time to time.

Unless otherwise indicated, all references to "$" or "dollars" refer to Canadian dollars and all references to "US$" or "U.S. dollars" refer to United States dollars.

Figures, columns and rows presented in tables provided in this AIF may not add due to rounding.

This AIF includes a summary description of certain material agreements of the Company. See "*Material Contracts*". The summary description discloses attributes that the Company considers material to readers but is not complete and is qualified in its entirety by reference to the terms of the material agreements, which have been filed with the applicable Canadian securities regulatory authorities and available on SEDAR at www.sedar.com under the Company's profile. Readers are encouraged to read the full text of such material agreements.

All references in this AIF to Management are to the persons who are identified in this AIF as the executive officers of the Company. See "*Directors and Executive Officers*". All statements in this AIF made by or on behalf of Management are made in such persons' capacities as executive officers of the Company and not in their personal capacities.

Glossary and Abbreviations

In this AIF, 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 used in this AIF and additional terms are defined throughout:

"**ABCA**" means the *Business Corporations Act* (Alberta) and the regulations thereunder, as amended from time to time;

"**Acquisition**" means the acquisition by the Company of the Initial Assets from Tidewater Midstream pursuant to the Purchase and Sale Agreements;

"**Acquisition Agreements**" means, collectively, the Purchase and Sale Agreements and the Assets Ancillary Agreements entered into in connection with the Acquisition;

"**AIMCO Facility**" means the Company's credit facility described under "*Borrowings — AIMCo Facility*";

"**Assets Ancillary Agreements**" means, collectively, the Take-or-Pay Agreements and the CO&O Agreements;

"**bbls/d**" or "**bbl/d**" means barrels per day;

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

"**BC LCFS**" means, collectively, BC's *Greenhouse Gas Reduction (Renewable & Low Carbon Fuel Requirements) Act* and the *Renewable & Low Carbon Fuel Requirements Regulation*, introduced to reduce the CI of fuels used in the province;

"**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;

"**BC Part 3 Agreement**" means an agreement between the director under the BC LCFS and a BC Part 3 Fuel Supplier;

"**BC Part 3 Fuel Supplier**" means a "part 3 fuel supplier" under the BC LCFS;

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

"**Board**" means the board of directors of the Company;

"**BRC**" means Tidewater Midstream's Brazeau River Complex located in the West Pembina region in central Alberta, wherein Tidewater Midstream has a 100% interest, and which consists of a 235 MMcf/d deep-cut gas processing facility with approximately 10,000 bbls/d of liquid fractionation capability;

"**Canola Co-Processor**" means the canola co-processor described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — Canola Co-Processor*";

"**CCS**" or "**CCUS**" mean, carbon capture and storage and carbon capture, utilization and storage, respectively. See "*Regulatory Framework — Carbon Capture Utilization and Storage (CCUS)*";

"**CFR**" means the *Clean Fuel Regulations*, established under the *Canadian Environmental Protection Act, 1999* on June 20, 2022. See "*Regulatory Framework — Canadian Clean Fuel Regulation (CFR)*";

"**CFR Credits**" means credits generated under the CFR. See "*Regulatory Framework — Canadian Clean Fuel Regulation (CFR)*";

"**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;

"**CO&O Agreements**" means the Co-Processing CO&O Agreement and the RNG & Hydrogen Storage Operating Agreement;

"**Common Shares**" means the common shares in the capital of the Company;

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

"**Co-Processing Assets**" means those Initial Assets underlying the Renewable Diesel Business Unit and the Renewable Hydrogen Business Unit;

"**COVID-19**" means the novel coronavirus named COVID-19 and the associated pandemic;

"**Credit Facility**" means the Company's credit facility described under "*Borrowings — Credit Facility*";

"**Director**" means a member of the Board;

"**Environmental Attributes**" means, collectively, BC LCFS Credits, CFR credits, rebates, tax credits, grants and other incentives and specific to the jurisdiction the renewable product is sold and environmental attributes available;

"**ESG**" means environmental, social and governance;

"**FCC**" means fluid catalytic cracking;

"**FCC Co-Processor**" means the FCC co-processor described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — FCC Co-Processor*";

"**FCC Co-Processor Project Part 3 Agreement**" means the Part 3 Agreement between Tidewater Midstream and the director under the BC LCFS providing for the issuance of BC LCFS Credits to Tidewater Midstream upon satisfaction of certain FCC Co-Processor Project milestones. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — FCC Co-Processor* ";

"**feedstock**" means a raw material required for an industrial process;

"**GAAP**" means generally accepted accounting principles in Canada, which for Canadian reporting issuers is IFRS, as in effect from time to time;

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

"**GHG**" means greenhouse gas;

"**Governance Agreement**" means the governance agreement entered into in conjunction with the Initial Public Offering and the Acquisition between Tidewater Midstream and the Company and further described under "*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*";

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

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

"**HDRD Feedstock Assets**" means the assets described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — HDRD Feedstock Assets*";

"**hydrocarbons**" means solid, liquid or gas made up of compounds of carbon and hydrogen in varying proportions;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board;

"**Initial Assets**" means the assets and projects acquired by the Company pursuant to the Acquisition (being the Renewable Assets other than the HDRD Feedstock Assets, RNG Feedstock Assets and the RNG Facility Project). See "*Renewable Assets*" and "*Business of Tidewater Renewables — Tidewater Renewables' Operations*";

"**Initial Public Offering**" means the initial public offering by the Company of an aggregate of 10,735,000 Common Shares at a price of $15.00 per Common Share for gross proceeds of $161,025,000 pursuant to the Prospectus, with 10,000,000 Common Shares thereof issued on August 18, 2021 and the remaining 735,000 Common Shares issued on September 15, 2021 pursuant to the partial exercise of the over-allotment option by the underwriters;

"**Investor Liquidity Agreement**" means the investor liquidity agreement entered into in conjunction with the Initial Public Offering and the Acquisition between Tidewater Midstream and the Company and as further described under "*Agreements with Tidewater Midstream and Other Counterparties — Investor Liquidity Agreement*";

"**LCFS**" means low carbon fuel standards;

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

"**Mbbl/d**" means thousand barrels per day;

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

"**NI 51-102**" means National Instrument 51-102 — *Continuous Disclosure Obligations*;

"**NGL**" or "**NGLs**" means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons;

"**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;

"**PGR Tankage Assets & Interest**" means the assets described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — PGR Tankage Assets & Interest*";

"**PGR Truck & Rail Rack Interest**" means the assets described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — PGR Truck & Rail Rack Interest*";

"**Prospectus**" means the Company's long-form supplemented PREP prospectus dated August 12, 2021 filed with the securities regulators in each of the provinces of Canada;

"**Purchase and Sale Agreements**" means the Co-Processing PSA and the RNG & Hydrogen Storage PSA;

"**Railcar Assets**" means the assets described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — Railcar Assets*";

"**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 Assets**" means all of the Company's assets and projects, which assets and projects underlie the Renewable Diesel Business Unit, the Renewable Hydrogen Business Unit and the RNG Business Unit. See "*Renewable Assets*";

"**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. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Capital Project — Renewable Diesel Project*";

"**Renewable Diesel Assets**" means the PGR Tankage Assets & Interest, the Railcar Assets, the PGR Truck & Rail Rack Interest, the Unifiner Reactor Interest, the Canola Co-Processor, the FCC Co-Processor and the HDRD Feedstock Assets. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets*";

"**Renewable Diesel Business Unit**" means the Renewable Diesel Assets and the Renewable Diesel Capital Project. See "*Renewable Assets — Renewable Diesel Business Unit*";

"**Renewable Diesel Capital Project**" means the Renewable Diesel Project. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Capital Project*";

"**Renewable Diesel Project**" means the capital project described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Capital Project — Renewable Diesel Project*";

"**Renewable Diesel Project Part 3 Agreement**" means the Part 3 Agreement between Tidewater Midstream and the director under the BC LCFS providing for the issuance of BC LCFS Credits to Tidewater Midstream upon satisfaction of certain Renewable Diesel Project milestones. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Capital Project — Renewable Diesel Project*";

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

"**Renewable Hydrogen**" means hydrogen produced from renewable liquid fuels which are reacted with high-temperature steam;

"**Renewable Hydrogen Assets**" means the Steam Methane Reformer and Water Treatment & Electrical Facilities Interest. See "*Renewable Assets — Renewable Hydrogen Business Unit — Renewable Hydrogen Assets*";

"**Renewable Hydrogen Business Unit**" means the Renewable Hydrogen Assets and the Renewable Hydrogen Capital Project. See "*Renewable Assets — Renewable Hydrogen Business Unit*";

"**Renewable Hydrogen Project**" means the capital project described under the heading "*Renewable Assets — Renewable Hydrogen Business Unit — Renewable Hydrogen Capital Project — Renewable Hydrogen Project*";

"**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;

"**Renewable Storage Infrastructure Assets**" means the assets described under the heading "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Storage Infrastructure Assets*";

"**Renewable Storage Reservoir Assets**" means the assets described under the heading "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Storage Reservoir Assets*";

"**RNG Assets**" means the Renewable Storage Reservoir Assets, the Renewable Storage Infrastructure Assets and the RNG Feedstock Assets. See "*Renewable Assets — RNG Business Unit — RNG Assets*";

"**RNG Business Unit**" means the RNG Assets and the RNG Capital Project. See "*Renewable Assets — RNG Business Unit*";

"**RNG Capital Project**" means the capital project described under the heading "*Renewable Assets — RNG Business Unit — RNG Capital Project*";

"**RNG Facility Project**" means the capital project described under the heading "*Renewable Assets — RNG Business Unit — RNG Capital Project — RNG Facility Project*";

"**RNG Feedstock Assets**" means the assets described under the heading "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Feedstock Assets*";

"**RNG & Hydrogen Storage Assets**" means the Initial Assets underlying the RNG Business Unit;

"**RNG & Hydrogen Storage Operating Agreement**" means the construction, ownership and operating agreement governing the ownership of the RNG & Hydrogen Storage Assets, as well as the allocation of operating costs, entered into in conjunction with the Initial Public Offering and the Acquisition between Tidewater Midstream and Tidewater Renewables;

"**RNG & Hydrogen Storage PSA**" means the purchase and sale agreement entered into by Tidewater Renewables in conjunction with the Initial Public Offering and the Acquisition pursuant to which Tidewater Renewables acquired the RNG & Hydrogen Storage Assets indirectly from Tidewater Midstream;

"**RNG & Hydrogen Storage Take-or-Pay Agreement**" means the capacity take-or-pay agreement entered into in conjunction with the Initial Public Offering and the Acquisition between Tidewater Midstream and Tidewater Renewables, pursuant to which Tidewater Midstream agreed to pay a fixed fee in exchange for capacity and or services related to the RNG & Hydrogen Storage Assets;

"**Shared Services Agreemen**t" means the shared services agreement entered into in conjunction with the Initial Public Offering and the Acquisition between Tidewater Midstream and the Company and as further described under "*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*";

"**Shareholder**" means a holder of Common Shares;

"**Steam Methane Reformer**" means the asset described under the heading "*Renewable Assets — Renewable Hydrogen Business Unit — Renewable Hydrogen Assets — Steam Methane Reformer*";

"**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;

"**Take-or-Pay Agreements**" means the Co-Processing Take-or-Pay Agreement and the RNG & Hydrogen Storage Take-or-Pay Agreement;

"**Third-Party MSA**" means the master services agreement between Tidewater Midstream and a third party dated mid-2018, assigned in conjunction with the Initial Public Offering and the Acquisition from Tidewater Midstream to Tidewater Renewables, related to the RNG Assets owned by Tidewater Renewables and operated by Tidewater Midstream in accordance with the RNG & Hydrogen Storage Operating Agreement;

"**throughput**" means with respect to a facility, inlet volumes processed (including any off-load or reprocessed volumes); with respect to a pipeline, the estimated gas or liquid volume transported therein; and with respect to processing facilities, the volume of inlet volumes processed;

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

"**TSX**" means the Toronto Stock Exchange;

"**Unifiner Reactor Interest**" means the assets described under the heading "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — Unifiner Reactor Interest*";

"**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;

"**Water Treatment & Electrical Facilities Interest**" means the assets described under the heading "*Renewable Assets — Renewable Hydrogen Business Unit — Renewable Hydrogen Assets — Water Treatment & Electrical Facilities Interest*"; and

"**YTD**" means year to date.

Use of Industry Specific Terminology

This AIF contains a number of references to industry specific terminology that is commonly used in the renewable energy production and infrastructure businesses and is also used by the Company in this AIF. In particular, and without limitation to the terms described or defined elsewhere in this AIF, this AIF contains references to renewable energy, Renewable Diesel, Renewable Hydrogen, and Renewable Natural Gas.

Renewable energy is energy derived from natural processes that can be replenished at low environmental cost. There are various forms of renewable energy including solar, wind, geothermal, hydropower and ocean resources, solid biomass, biogas, and liquid biofuels / renewable fuels.

Renewable Diesel or HDRD is a low GHG transportation fuel which is suitable for use in diesel engines. It is produced from biomass sources including various forms of lipids-rich feedstocks such as used cooking oil, fish oil, animal fats, corn oil and soybeans. The resultant fuel is largely identical to petroleum diesel and meets the specifications for petroleum. Renewable diesel is produced using a well-established process known as hydrotreating (a process also used in petroleum refineries). This process introduces hydrogen to the feedstock under high temperatures and pressures to remove oxygen and develop suitable molecular chains.

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.

Renewable natural gas, or biomethane, is a carbon neutral natural gas that is used as a direct substitute for fossil 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 in natural gas pipelines, used for co-generation or combusted as a vehicle fuel. Common feedstocks include wastewater from wastewater treatment facilities, agricultural waste, landfill waste, and commercial waste.

See "*General Matters — Glossary and Abbreviations*" and "*Industry*".

Conversions

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To	Multiply by
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls	6.293
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

Forward-Looking Statements

This AIF contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") that relate to the Company's current expectations and views of future events. These forward-looking statements relate to future events or the Company's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon. These statements speak only as of the date of this AIF. In addition, this AIF may contain forward-looking statements attributed to third-party industry sources. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the information and factors discussed throughout this AIF.

All statements other than statements of historical fact contained in this AIF and the documents incorporated by reference herein are forward-looking statements, including, without limitation, statements regarding: the expected financial performance of the Company's proposed capital projects and assets following the commencement of operations, including underlying assumptions; estimates of EBITDA (including run rate EBITDA) (See "*General Matters — Non-GAAP Financial Measures*"); the timing of completion of certain projects, the conditions thereto and the timing and results thereof; the Company's belief that, through a combination of BC LCFS Credits, the Credit Facility, the AIMCo Facility and other sources as appropriate, the Company will be able to meet its obligations and financial commitments and sufficiently fund its anticipated capital expenditures, including the Renewable Diesel &

Renewable Hydrogen Complex (estimated total cost of $342 million); the Company's business and growth strategy and anticipated sources of future income, and the possibility that the Board may vary that strategy in the future; the Company's operational and financial performance, including expectations regarding generating revenue, revenues and operating expenses; ability of proven technologies to be applied to generate clean fuels; ability to leverage existing infrastructure and engineering expertise of Tidewater Midstream regarding development of the Company's projects and product offerings; ability to supply low carbon fuels to investment grade offtakers, existing customers, government entities, Indigenous peoples and others; changes in governmental programs, policymaking and requirements or encouraged use of biofuels, including renewable fuel policies in Canada and the United States and Europe, and state level programs, such as BC's BC LCFS and Canada's CFR; the future pricing of BC LCFS Credits and CFR Credits; expectations around the Company's receipt of BC LCFS Credits and CFR Credits; the availability, future price and volatility of feedstocks and other inputs; the future price and volatility of petroleum; the Company's objective of generating free cash flow growth at a relatively low-risk and low cost to the Company, and the proposed manner of achieving this objective; the estimated amount of cash flow of the Company (including the components thereof and potential future increases in the amount of cash flow) and the related anticipated payout ratio of the Company; the expectation that the Company will be able to grow its revenue, actively maintain and manage its assets and achieve external growth by selectively pursuing strategic business development opportunities; the amount and timing of anticipated payments of revenue to be received from Tidewater Renewables Midstream and other counterparties in respect of Tidewater Renewables' assets and that revenues from Tidewater Renewables' assets will provide a significant portion of the Company's revenue; the performance and creditworthiness of the Company's counterparties; the anticipated operating costs, capital costs, environmental liabilities and reclamation obligations associated with owning and operating renewable energy production and infrastructure assets to be incurred by the Company; utilization rates and throughputs of Tidewater Renewables' assets; operational matters, including potential hazards inherent in the Company's operations and the effectiveness of third-party health, safety, environmental and integrity programs; decommissioning, abandonment and reclamation costs; the Company's ability to grow through capital projects; the long-term impact of COVID-19 on the Company's business, financial position, results of operations and/or cash flows; supply and demand for commodities and services; budgets, including future capital, operating or other expenditures and projected costs; the Company's continuing evaluation of opportunities to develop future low-carbon fuel and renewable energy projects and expansion and optimization opportunities at the PGR; timing, impact and capital requirements of the projects at PGR and elsewhere; the Company's focus on generating cash flow; the Company's ESG strategy, including the ability of renewable products to deliver CI reduction alternatives; the tax horizon and taxability of the Company; and treatment under governmental regulatory regimes, environmental legislation and tax laws.

The forward-looking statements reflect Tidewater Renewables' beliefs and assumptions regarding, among other things: the general stability of the economic and political environment (nationally and internationally), the regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Company has an interest in renewable energy production and storage infrastructure assets; the ability of the Company to execute its business plans and strategies, including, but not limited to, completion of its capital projects on time and on budget; the timely receipt of all third party, governmental and regulatory approvals and consents sought by the Company including with respect to the Company's projects and applications; the continuation of governmental programs regarding renewable fuels, such as the BC LCFS and the CFR; the future pricing of BC LCFS Credits and CFR Credits; the availability, future price and volatility of feedstocks and other inputs; sustained or growing demand for renewable fuels; ability for the Company to successfully turn a wide variety of renewable feedstocks into low carbon fuels; the future price of future crude oil, natural gas and NGL prices; Tidewater Midstream's continued level of ownership of Common Shares; the ability of the operators of Tidewater Renewables' assets to operate in a safe, efficient and effective manner; the timely receipt of any required regulatory approvals by the operators of Tidewater Renewables' assets; the timing, cost and ability of third parties to access, maintain or expand necessary facilities and/or secure adequate product transportation and storage; the level of costs and expenses to be incurred by the Company, including with respect to interest, general and administrative expenses and income tax expenses; the ability of the Company to obtain and retain qualified staff, equipment and services in a timely and cost efficient manner; the absence of any material litigation or claims against the Company; inflation, currency, exchange and interest rates; no unforeseen events preventing the performance of contracts; that formal agreements with counterparties will be honored; the Company's ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner; the amount of operating costs for the Company's projects; that there are no unforeseen material costs relating to the projects which are not recoverable; distributable cash flow and net cash provided by operating activities are consistent with expectations; the ability to obtain additional financing on satisfactory terms; the ability of Tidewater Renewables' to successfully market its products; timely receipt of equipment and goods ordered by the Company to conduct its operations; impact of planned annual maintenance on the Company's facilities; forecasts with respect to future environmental and climate change compliance obligation costs, and success of same; satisfaction of covenants under Tidewater Renewables' Credit Facility; and the Company's future debt levels and the ability of the Company to repay its debt when due.

All forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking statements. Such factors include but are not limited to, the risks and uncertainties described under "Risk Factors" and in other disclosure documents filed from time to time with the securities commission or similar regulatory authority in each of the provinces of Canada.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements made by or on behalf of the Company, Shareholders and potential investors should not place undue reliance on any such forward-looking statements. Readers are cautioned that the foregoing lists of factors are not exhaustive.

To the extent any forward-looking statement in this AIF constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated financial performance of certain assets and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements generally, are, without limitation, based on the assumptions and subject to the risks set out above. The Company's actual financial position and results of operations may differ materially from Management's current expectations and, as a result, the Company's revenue and expenses may differ materially from the revenue and expenses profiles provided in this AIF. Such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations.

Further, any forward-looking statement is made only as of the date of this AIF, and the Company does not undertake any obligation to update or revise any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by Canadian Securities Laws. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this AIF are expressly qualified by the foregoing cautionary statements. Shareholders and potential investors should read this entire AIF and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Common Shares.

Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by the Company with Canadian provincial securities commissions available on SEDAR at www.sedar.com under the Company's profile.

Non-GAAP Financial Measures

Certain information presented in, or incorporated by reference into, this AIF contains references to a number of non-GAAP financial measures, non-GAAP financial ratios and capital management measures (collectively the "**non-GAAP measures**") used in assessing the Company's results and measuring overall performance. The intent of non-GAAP measures is to provide additional useful information to investors and analysts. Certain of these financial measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. As such these measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with GAAP.

Non-GAAP financial measures consist of "Adjusted EBITDA", "run rate EBITDA", and "distributable cash flow". Non-GAAP financial ratios consist of "distributable cash flow per common share". Capital management measures consist of "net debt", "growth capital", and "maintenance capital". The meanings of specific rationale for, and incremental information associated with (including a reconciliation to the most directly comparable measure calculated in accordance with GAAP) each of the non-GAAP measures are set out in the "*Non-GAAP and Other Financial Measures — Non-GAAP Financial Measures*" section of the Company's most recent management's discussion and analysis which is available on SEDAR at www.sedar.com under the Company's profile.

See "*General — Forward-Looking Statements*" and "*Risk Factors*" (including "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Risks Relating to Run Rate EBITDA*").

Market, Independent Third-Party and Industry Data

Certain market, independent third-party and industry data contained in this AIF is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. This AIF also includes certain data, including production and other operational results, derived from public filings made by independent third parties. While the Company believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from independent third-party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources.

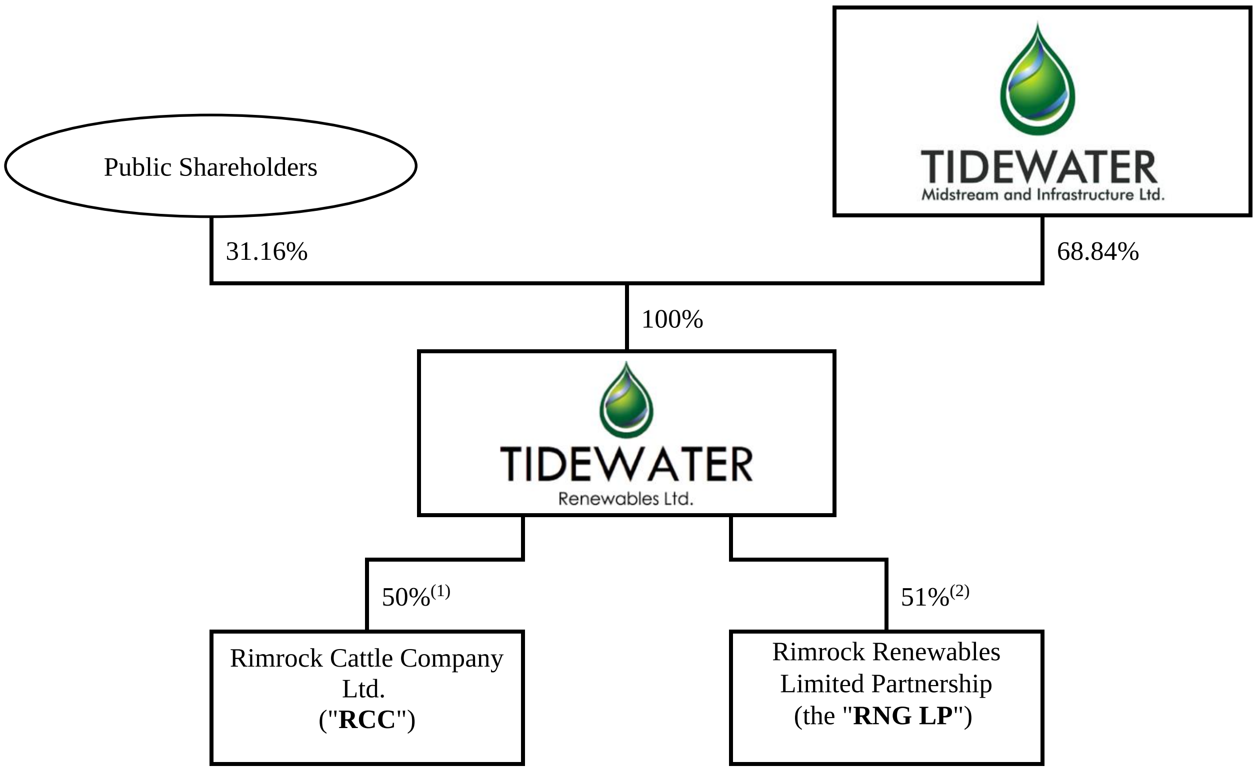
Processing Capacity Volume Figures

The processing capacity of the facilities referred to in this AIF are reported on an inlet volume capacity basis. Inlet volumes will be more than the sales volumes ultimately processed at facilities due to fuel consumption and customary shrinkage, which occurs during transportation and processing.

CORPORATE STRUCTURE

The Company was incorporated under the ABCA as "Tidewater Renewables Ltd." on May 11, 2021.

The following chart sets forth the Company's relationship with its subsidiaries and joint arrangement entities and the percentage of votes attaching to all voting securities of such subsidiaries and joint arrangement entities owned by the Company. The jurisdiction of incorporation or organization for each entity is Alberta. The chart does not include certain subsidiaries and joint arrangements of the Company. The assets and revenues of excluded subsidiaries and joint arrangements did not, individually exceed 10%, and in the aggregate exceed 20% of the total consolidated assets or total consolidated revenues of the Company as at and for the period ended December 31, 2022.



Notes:

(1) The Company's indirectly held ownership interest in RCC provides it with joint control, along with another third-party investor. As such, Tidewater Renewables accounts for its interest in RCC as an equity accounted investment. See "*General Development of the Business — Three Year History — 2022*".

(2) The RNG LP is an indirect subsidiary of the Company. The RNG LP was entered into among an indirect subsidiary of the Company (as a limited partner), a privately controlled third party (as the other limited partner), and Rimrock Renewables Ltd. (as the general partner). The Company controls the RNG LP via its 51% ownership interest in the general partner (subject to the terms and conditions of a shareholders' agreement and limited partnership agreement). The Company and the other limited partner each hold 50% of the limited partnership units of the RNG LP. See "*General Development of the Business — Three Year History — 2022*".

The Company's head office is located at Suite 900, 222 3rd Avenue SW, Calgary, Alberta, T2P 0B4 and its registered office is located at Suite 1000, 250 2nd Street SW, Calgary, Alberta, T2P 0C1.

The Company is a reporting issuer in each of the provinces of Canada. The Common Shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") under the trading symbol "LCFS".

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The general development of Tidewater Renewables' business since 2021, being the year when the Company's current business was established, and up to the date of this AIF, which includes events, such as acquisitions or dispositions, or conditions that have had an influence on that development, is described below.

2021

The Company was incorporated under the ABCA as "Tidewater Renewables Ltd." on May 11, 2021.

On August 18, 2021, Tidewater Renewables completed the Initial Public Offering concurrently with the Acquisition of the Initial Assets.

Tidewater Renewables completed the Acquisition, acquiring the Initial Assets indirectly from Tidewater Midstream in exchange for aggregate consideration of $538,500,000 — which consideration was comprised of (i) $180 million in cash (including the net proceeds of the Initial Public Offering and amounts drawn under the Credit Facility); and (ii) 23,900,000 Common Shares with a fair market value equal to $358,500,000. Such price was determined after taking into consideration, among other things, discounted cash flows based on projected cash flows from the Initial Assets and valuation multiples of publicly traded companies that were deemed comparable to the Initial Assets by Tidewater Midstream, Tidewater Renewables and the underwriters under the Initial Public Offering.

The Initial Public Offering consisted of the offering an aggregate of 10,735,000 Common Shares at a price of $15.00 per Common Share for gross proceeds of $161,025,000 pursuant to the Prospectus, with 10,000,000 Common Shares thereof issued on August 18, 2021 and the remaining 735,000 Common Shares issued on September 15, 2021 pursuant to the partial exercise of the over-allotment option by the underwriters.

In conjunction with the Initial Public Offering and Acquisition, the Company also established a $150 million Credit Facility. The Credit Facility consisted of a syndicated component, the syndicated facility, and an operating component, the operating facility. The operating facility is a revolving operating facility with a maximum available draw of $35 million. The syndicated facility is a revolving facility with a maximum available draw of $115 million. On September 22, 2022, the Credit Facility was amended to increase certain financial covenants. See "*Borrowings — Credit Facility*".

In conjunction with the Initial Public Offering and Acquisition, the Company also established various agreements with Tidewater Midstream whereby Tidewater Midstream provides certain management, administrative and operational services required for Tidewater Renewables to operate and administer its assets. It also established agreements with Tidewater Midstream whereby Tidewater Midstream is provided certain board nomination rights and registration rights. See "*Agreements with Tidewater Midstream and Other Counterparties*".

On November 15, 2021, the Company announced its first sale agreement with an investment-grade counterparty to sell BC LCFS Credits at $425 per credit, which the Company expects to receive through the construction of the Renewable Diesel & Renewable Hydrogen Complex (the "**First BC LCFS Credit Sale Agreement**"). Pursuant to the First BC LCFS Credit Sale Agreement, Tidewater Renewables agreed to sell a total of 125,000 BC LCFS Credits at $425 per credit — as compared to the previously disclosed budgeted value of $375 per credit — for credits anticipated to be received under the Renewable Diesel Project Part 3 Agreement with the Government of BC. The First BC LCFS Credit Sale Agreement extends to January 2024 and further reduces the value realization risk on a portion of the BC LCFS Credits that Tidewater Renewables will receive.

2022

On January 10, 2022, the Company announced a second sale agreement with an investment-grade counterparty to sell BC LCFS Credits at an average price of $478 per credit that the Company expects to receive through the construction of the Renewable Diesel & Renewable Hydrogen Complex (the "**Second BC LCFS Credit Sale Agreement**"). Pursuant to the Second BC LCFS Credit Sale Agreement, Tidewater Renewables agreed to sell a total of 25,000 BC LCFS Credits at an average price of $478 per credit — as compared to the first disclosed sale at $425 per credit and the previously disclosed budgeted value of $375 per credit — for credits anticipated to be received under the Renewable Diesel Project Part 3 Agreement with the Government of BC. The Second BC LCFS Credit Sale Agreement extends to March 2023 and further reduces the value realization risk on a portion of the BC LCFS Credits that Tidewater Renewables will receive, realizing total proceeds of over $11.9 million over the term of this agreement. With this transaction, Tidewater Renewables had agreed to sales for over 50% of the BC LCFS Credits expected to be received by the commissioning of the Renewable Diesel & Renewable Hydrogen Complex, which is expected in in Q2 2023.

On January 10, 2022, the Company also announced that it closed a strategic acquisition of a used cooking oil supplier, providing certain feedstock supply for a portion of the renewable fuels production from the Renewable Diesel & Renewable Hydrogen Complex (the "**Feedstock Acquisition**"). Total consideration for the Feedstock Acquisition was $3.5 million, consisting of a cash and a Common Shares component. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — HDRD Feedstock Assets — Feedstock Acquisition*".

In Q1 2022, Tidewater Renewables announced a multi-year partnership with the University of Saskatchewan, 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.

On April 4, 2022, the Company announced its strategic investments in RNG LP and in RCC. These investments are aimed to advance the Company's RNG business and secure long-term feedstock supply for both its RNG and renewable fuels businesses. The RNG LP investment includes the planned construction (the "**RNG Facility Project**") of the Company's first RNG facility located in Foothills County, Alberta (the "**RNG Facility**"), which is backstopped by the 20-year Offtake Agreement, and which includes the opportunity for additional RNG facilities in the future. The RNG Facility will convert feedlot manure to pipeline quality RNG with negative carbon intensity scores (meaning it takes more carbon out of the environment than it produces) through an anaerobic digestion and gasification process. The investment in RCC included the Company agreeing to invest $30 million in exchange for a 50% ownership of RCC, including its associated cattle feeding operations ("**Feedlot Infrastructure**") and cattle inventory. See "*Renewable Assets — RNG Business Unit — RNG Capital Project — RNG Facility Project*".

On June 28, 2022, Tidewater Renewables announced a multi-year agreement with an investment-grade company to sell compliance credits that Tidewater Renewables expects to generate under the CFR through the production and sale of renewable fuels produced at the Renewable Diesel & Renewable Hydrogen Complex (the "**First CFR Credit Sale Agreement**"). As part of the transaction, Tidewater Renewables agreed to sell a total of 45,000 CFR Credits at $95 per credit. This multi-year agreement extends to June 30, 2025.

On September 21, 2022, Tidewater Renewables announced a second agreement to sell compliance credits that Tidewater Renewables expects to generate under the CFR through the production and sale of renewable fuels produced at the Renewable Diesel & Renewable Hydrogen Complex (the "**Second CFR Credit Sale Agreement**"). As part of the transaction, Tidewater Renewables agreed to sell a total of 25,000 CFR Credits at $100 per credit. This multi-year agreement extends to July 28, 2024. To date, the Company has not received a formal CI under the CFR for the CFR Credits it anticipates receiving. Pursuant to the CFR, the Company expects that a transitional CI will be provided to the Company when operations start at the Renewable Diesel & Renewable Hydrogen Complex. Three months following the start of operations, the Company anticipates applying for a formal CI; although the length of time that it will take for the Company to be assigned a formal CI following such application remains uncertain.

On October 17, 2022, Tidewater Renewables announced that RNG LP entered into a 20-year offtake agreement (the "**Offtake Agreement**") with FortisBC Energy Inc. Under the Offtake Agreement, FortisBC Energy Inc. expects to purchase up to 525,000 gigajoules of RNG annually from the RNG Facility. The Offtake Agreement remains subject to regulatory approval by the British Columbia Utilities Commission, with a decision expected to be received in the first quarter of 2023. The Company expects to start supplying RNG under the Offtake Agreement by the first half of 2024.

On October 24, 2022, Tidewater Renewables announced the closing of a $150 million five-year senior secured second lien credit facility (the "**AIMCo Facility**") with an affiliate of Alberta Investment Management Company ("**AIMCo**"), on behalf of certain of its clients. The AIMCo Facility's term is five years, maturing on October 24, 2027 and at closing was drawn down by way of a single advance with net proceeds reflecting a 5% original issue discount. As part of the AIMCo Facility, Tidewater Renewables Renewables issued 3.375 million warrants to AIMCo (the "**AIMCo Warrants**"). Each AIMCo Warrant entitles AIMCo to purchase one Common Share at a price per share of $14.84, for a term of five years. The exercise price reflects a 50% premium to the 10-day volume weighted average trading price of the Common Shares prior to closing of the AIMCo Facility. See "*Borrowings — AIMCo Facility*".

On November 28, 2022, the Company announced that it appointed Robert Colcleugh as interim Chief Executive Officer of the Company effective as of such date. Mr. Colcleugh, who currently serves as a Director of Tidewater Midstream, succeeded Joel MacLeod, who stepped down from his management and board roles to pursue other opportunities. Mr. Colcleugh was also appointed Chairman of the Company, with Brett Gellner continuing to serve as Lead Independent Director of the Company, following Mr. Macleod's departure.

As at December 31, 2022, pursuant to BC Part 3 Agreements:

- 56,104 BC LCFS Credits were received by Tidewater Midstream directly from the Government of BC for costs incurred by Tidewater Midstream on the Renewable Diesel & Renewable Hydrogen Complex prior to the Acquisition;
- 75,000 BC LCFS Credits were received by the Company and monetized for proceeds of $33,280,000 (average price of $443.73/ credit);
- 4,329 BC LCFS Credits were received by the Company and recorded in inventory, with a value of $425/credit; and
- 49,108 BC LCFS Credits were accrued by the Company and recorded in inventory, with a value of $425/credit.

Significant Acquisitions

The Company did not complete any significant acquisitions in the financial year ended December 31, 2022 as such term is defined in NI 51-102.

Potential Acquisitions, Issuance of Securities and Financings

Tidewater Renewables continues to evaluate potential acquisitions of renewable energy related assets and/or companies and other strategic acquisitions as part of its ongoing acquisition program. Tidewater Renewables regularly evaluates potential acquisitions, which individually or together could be material. Tidewater Renewables may, in the future, issue securities in connection with acquisitions or otherwise and complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions, Tidewater Renewables' operations and capital expenditures and repayment of indebtedness. In selecting which capital projects and acquisitions to pursue, Tidewater Renewables pays close attention to both the macro trends that affect its business, as well as the particular needs of customers and potential customers. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Risks Relating to Competition for Opportunities*" and "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Negative Impact of Additional Sales or Issuances of Common Shares*."

BUSINESS OF TIDEWATER RENEWABLES

Tidewater Renewables is a multi-faceted, energy transition company. The Company is focused on the production of low carbon fuels, including Renewable Diesel, Renewable Hydrogen and Renewable Natural Gas, as well sustainable aviation fuel (SAF), sustainable marine fuel (SMF), and carbon capture through future initiatives.

The Company was created in response to the growing demand for renewable fuels in North America and to capitalize on its potential to efficiently turn a wide variety of renewable feedstocks (such as tallow, used cooking oil, distillers corn oil, soybean oil, canola oil and other biomasses) into low carbon fuels.

Business Objective and Strategy

Tidewater Renewables' objective is to become one of the leading Canadian renewable fuel producers. The Company is pursuing this objective through the ownership, development, and operation of clean fuels projects and related infrastructure utilizing existing proven technologies.

Tidewater Renewables' growth strategy is focused on building out its three operating business units: (i) Renewable Diesel (which includes future fuels such as sustainable aviation fuel and sustainable marine fuel), (ii) Renewable Hydrogen, and (iii) Renewable Natural Gas, with carbon capture used as appropriate across the business units. The Company is focused on expanding its renewables asset portfolio and maximizing its logistics reach throughout North America. Organically, Tidewater Renewables seeks to continue leveraging the existing infrastructure and engineering expertise of Tidewater Midstream regarding the development of the Company's portfolio of greenfield and brownfield capital projects as well as the expansion of the Company's product offerings.

The Company expects to continue to rely on a combination of (i) undrawn amounts under the AIMCo Facility and the Credit Facility, (ii) cash flow generated by the sale of BC LCFS Credits (which Tidewater Renewables expects to continue to earn upon satisfaction of certain construction milestones related to both the FCC Co-Processor and the Renewable Diesel & Renewable Hydrogen Complex and which credits also continue to be earned upon operation of such projects and sales of renewable fuels pursuant thereto), (iii) cash flow generated by the Renewable Assets (including the various capital projects as they come online, such as the Renewable Diesel & Renewable Hydrogen Complex and the RNG Project), and (iv) other potential sources of financing as appropriate, for working capital, to fund the development of the capital projects and for general corporate purposes.

Tidewater Renewables expects the Initial Assets to generate operating cash flows primarily from take-or-pay contracts with Tidewater Midstream, as the primary counterparty, and from other non-take-or-pay activities. The Company expects the RNG Facility to generate operating cash flows primarily from the Offtake Agreement. These are expected to provide Tidewater Renewables with stable, long-term, contracted cash flows.

The Company anticipates that operating cash flow and its receipt and monetization of BC LCFS Credits, CFE Credits, and other environmental 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, however there is no assurance that any such amounts will be available or sufficient to achieve all of the Company's intended milestones.

See "*General Development of the Business — Three Year History*" for details regarding the First BC LCFS Credit Sale Agreement, the Second BC LCFS Credit Sale Agreement and the BC LCFS Credits that have been received and monetized by the Company.

Tidewater Renewables' Operations

In order to create the fully functioning initial standalone business of Tidewater Renewables, pursuant to the Acquisition, Tidewater Renewables acquired certain pre-existing operating assets from Tidewater Midstream that provided an initial platform for the Renewable Diesel, Renewable Hydrogen, and Renewable Natural Gas business units. These Initial Assets included existing logistics (existing loading, unloading and rail assets for feedstock coming in and renewable fuels going out at PGR), processing activities (existing processing capacity and hydrogen production required for the co-processing projects at PGR), storage (tankage for storage and blending for Renewable Diesel at PGR and storage reservoirs for Renewable Natural Gas located at BRC), and utilities that facilitate the operation of the renewable fuels growth projects as they come on line. See "*Renewable Assets*".

The Company's initial growth projects are for the production of Renewable Diesel at PGR, via: (i) the Canola Co-Processor (canola-based), a project that came online in Q3 2021 and the FCC Co-Processor a project that Phase 1 of which came online on in August 2022 (with the final Phase 2 expected to come online in 2023), and (ii) the Renewable Diesel & Renewable Hydrogen Complex that Management expects to commence operations in Q2 2023.

Since the Initial Public Offering and the Acquisition, the Company completed the Feedstock Acquisition (being the acquisition of a used cooking oil supplier) and the strategic investments in the RNG LP and RCC (including the RNG Facility Project and corresponding Offtake Agreement, as well as the Feedlot Infrastructure). See "*General Development of the Business — Three Year History — 2022*", "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — HDRD Feedstock Assets — Feedstock Acquisition*", and "*Renewable Assets — RNG Business Unit — RNG Capital Project — RNG Facility Project*".

Management believes that the strategic locations of Tidewater Renewables' production assets (existing and planned projects) and logistics capabilities provide it with the opportunity to maximize revenue by creating high-value products and selling them in regulatory-incentivized markets. The Company expects renewable diesel demand to increase as environmental regulations continue their trend of tightening annually and as new regulations and systems are put into place.

The majority of Tidewater Renewables assets, including 100% of the planned Renewable Diesel production assets, are located in BC and in relatively close proximity to California, Oregon and Washington — which are current jurisdictions in Canada and the U.S. that have LCFS legislation in place.

Complementary to the Renewable Assets, Tidewater Renewables is pursuing an acquisition strategy that seeks to identify and target energy transition and logistics assets located in North America, which are both complementary to its existing business as well as in complimentary businesses, such as feedstock and logistics networks. The Company's acquisition strategy targets assets that could be enhanced through in-house expertise and focuses on vertically integrating the Company's renewable fuels business units. See "*Renewable Assets — Renewable Diesel Business Unit*

— *Renewable Diesel Assets — HDRD Feedstock Assets — Feedstock Acquisition*" and "*Renewable Assets — RNG Business Unit — RNG Capital Project — RNG Facility Project*".

The Company believes its integrated approach, which is comprised of all aspects of the value chain from acquiring renewable feedstock, operating facilities (HDRD, hydrogen, RNG), distributing clean fuel through a network of terminals and storage assets, and managing facility construction and upgrades, positions the Company to serve the growing market for low carbon fuels. The Company believes that the execution of these strategies will enable it to expand its margins, diversify sources of profitability, manage its business through varying market conditions, and increase Shareholder value. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Development and Operation of Individual Renewable Energy Projects (Including Cost Overruns)*", "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Ability to Achieve Investment Objectives*", and "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Feedstock and Contracting Risk*".

Revenue Streams

At December 31, 2022, the Company operated as one operating segment, renewable energy, as its executive officers reviewed overall operating results in order to assess financial performance and to make resource allocation decisions, rather than to assess a lower level unit of operations in isolation. Revenue streams associated with the renewable energy operating segment include:

- *Renewable Fuels* — The Company's revenue from this stream was $19.5 million for the period commencing on the date of the Acquisition and ending December 31, 2021 (all of which was derived from sales to Tidewater Midstream) and $66.2 million for the year ended December 31, 2022 ($62.1 million of which was derived from sales to Tidewater Midstream); and

- *Renewable Natural Gas* — The Company's revenue from this stream was $3.6 million for the period commencing on the date of the Acquisition and ending December 31, 2021 ($3.2 million of which was derived from sales to Tidewater Midstream) and $10.7 million for the year ended December 31, 2022 (all of which was derived from sales to Tidewater Midstream).

Renewable Fuels Revenue Stream

Overview

The Company's renewable fuels revenue stream is derived from the assets and projects underlying the Renewable Diesel Business Unit and the Renewable Hydrogen Business Unit. See "*Renewable Assets — Renewable Diesel Business Unit*" and "*Renewable Assets — Renewable Hydrogen Business Unit*".

The Company leverages its marketing and logistic services to take advantage of specific location, quality, or time-based opportunities when available. The Company purchases, transports, stores and sells renewables refined products and feedstocks throughout North America. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — HDRD Feedstock Assets — Feedstock Acquisition*" and "*Renewable Assets — RNG Business Unit — RNG Capital Project — RNG Facility Project*".

Customers and Contracts

The Company has executed and is engaged in commercial negotiations to source feedstocks for the production of renewable refined product. It is anticipated that the majority of feedstock will be sourced from within Western Canada and opportunistically from other global sources. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — HDRD Feedstock Assets*".

Competition

Tidewater Renewables competitors in the renewable fuel business include other refiners, investment banks that have established trading platforms, and brokers and marketers of widely varying sizes, financial resources and experience.

Renewable Natural Gas Revenue Stream

Overview

The Company's renewable fuels operations currently consist of the RNG Assets. The RNG Assets are comprised of the Renewable Storage Reservoir Assets and the Renewable Storage Infrastructure Assets (both are located at Tidewater Midstream's BRC in Alberta) as well as the RNG Feedstock Assets. See "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Storage Reservoir Assets*", "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Storage Infrastructure Assets*" and "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Feedstock Assets — RNG Capital Project — RNG Facility Project*".

The RNG Assets at BRC generate revenue through fees to gas storage customers for injecting and withdrawing natural gas in the storage pool and charging an extraction fee for natural gas liquids. The difference between natural gas prices in the summer months versus the winter months, i.e. seasonal spreads, is one of the main drivers of fees that Tidewater Renewables can charge for its storage services.

Customers and Contracts

The Company has executed and is engaged in commercial negotiations to provide fee-based services to independent energy producers to store environmental attributes associated with natural gas.

Competition

The RNG and waste-to-energy space is highly fragmented with many companies now operating in the industry, including project developers and equipment or service providers. Tidewater Renewables expects to compete against other companies or solutions for access to biogas from various waste sources. Evolving regulatory and consumer preferences, waste energy trends, and project economics are expected to continue having a significant effect on the competitive landscape and Tidewater Renewables' ability to continue generating project returns.

Company Feedstocks and Other Inputs

The Company intends to produce low carbon fuels such as Renewable Diesel, renewable hydrogen, and Renewable Natural Gas. The Company's Renewable Diesel and Renewable Hydrogen will be primarily produced from a wide variety of low-carbon feedstocks, including distillers corn oil, used cooking oil, inedible animal fats. The Company also intends to produce Renewable Diesel from virgin vegetable oils, such as soybean oil or canola oil, which tend to be higher in price. The Company believes its ability to process a wide variety of feedstocks in its Renewable Diesel and Renewable Hydrogen Complex provides the Company 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. The Company's renewable natural gas projects, if and when undertaken, will primarily utilize animal manure and organic waste feedstock, which will be sourced from strategic locations surrounding the projects.

Management is currently in discussions with many potential feedstock suppliers, including those with domestic and international operations. The majority of these suppliers are the direct producers of the various feedstocks or global trading entities, where Tidewater Midstream has executed non-binding memorandums of understanding for offtake of feedstocks. Tidewater Renewables has continued these discussions and work towards executing definitive agreements for such feedstocks with such suppliers.

Since the Initial Public Offering and the Acquisition, the Company acquired the HDRD Feedstock Assets and the RNG Feedstock Assets. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — HDRD Feedstock Assets*" and "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Feedstock Assets*"**.**

In addition to feedstock, the Company also needs to procure various chemicals and catalysts that are utilized in the production processes, which are typically sold under fixed-price contracts and formula-indexed contracts based upon competitive bidding.

Risk Management

The prices for feedstocks and clean fuels (Renewable Diesel, Renewable Hydrogen, and Renewable Natural Gas) as well as the value of associated government incentives, can be volatile and not always closely correlated. Low carbon feedstocks are particularly difficult to risk manage given that the majority of such feedstocks are not traded in any public futures market. To manage feedstock and clean fuels price risks, the Company utilizes fixed price forward contracting, hedging and other risk management strategies, including the use of futures, swaps, options and over-the-counter products as possible.

To decrease commodity price exposure and protect the Renewable Diesel & Renewable Hydrogen Complex's cash flows, the Company has entered into financial forward contracts for certain vegetable oils and refined products, as well as forward sales of BC LCFS credits. The Company remains hedged on approximately 50% and 40% of the Renewable Diesel & Hydrogen Complex's feedstock volume requirements through 2023 and 2024, respectively, as well as the majority of its co-processing feedstock. See "*General Development of the Business — Three Year History*" for details regarding the First BC LCFS Credit Sale Agreement, the Second BC LCFS Credit Sale Agreement, the BC LCFS Credits that have been received and monetized by the Company, the First CFR Credit Sale Agreement and the Second CFR Credit Sale Agreement.

In establishing its risk management strategies, the Company has drawn from its own in-house risk management expertise and consultation with industry experts. The Company also utilizes research conducted by outside firms to provide additional market information and risk management strategies. The Company believes combining these sources of knowledge, experience and expertise expands its view of the fluctuating commodity markets for raw materials and energy to improve its risk management strategies. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Hedging*".

Distribution

The Company has an established 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 ATCO Gas' natural gas transmission line system. The PGR Truck & Rail Rack Interest provides the Renewable Diesel and Renewable Hydrogen Complex with 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.

Tidewater Renewables has approximately 320 leased railcars for transportation of renewable diesel and feedstocks. The Company is also focused on growing its portfolio of leased storage tanks in terminals across North America. In general, the Company's terminal distribution strategy in North America is focused on working with offtake partners to place Renewable Diesel in LCFS advantaged markets at present time, Tidewater has an offtake with an investment grade counterparty for renewable diesel lasting through the end of 2024. The Company also has a 20-year RNG offtake agreement with FortisBC relating to the RNG Facility Project. The Company envisions terminal contracts with one to five-year terms and with renewal conditions. The Company continues to look for terminal expansion and optimization opportunities across North America.

Environmental, Social and Governance (ESG)

Tidewater Renewables provides the opportunity to invest in an energy transition vehicle focused on producing clean, renewable fuels for the North American markets utilizing existing and proven technologies. The company focuses on low carbon fuels to deliver carbon intensity (CI) reduction alternatives, including Renewable Diesel, Renewables Natural Gas, and Renewable Hydrogen. Tidewater Renewables' objective is to become one of the leading Canadian renewable fuel producers, with ESG being a top priority. As part of our commitment to ESG and transparency, we will be publishing our inaugural Sustainability Report this year. This will highlight our key ESG attributes including:

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 focused on inedible and waste-stream oils such as animal fats, used cooking oil (the Feedstock Acquisition), and distiller corn oil;

3. having an experienced and diverse Board, consisting of a majority of 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 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. working with several 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 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; and

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

Competition

Renewable Diesel Competition

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 BC with the provincial government mandating CI reductions in the gasoline and diesel sold in the province, which must come from renewable sources. Beginning in 2023, the BC government has further increased the carbon intensity reductions requirements to a total of 30% by 2030 (compared to the 2010 baseline). As such, the Company expects competition for market share in all three business units to continue to be intense amongst existing and up-and-coming renewable fuel producers. For instance, in January 2023, Imperial Oil Limited ("**Imperial**") approved $720 million to construct Canada's largest Renewable Diesel facility at its Strathcona refinery near Edmonton, Alberta. This facility is expected to produce more than one billion liters of Renewable Diesel annually and to supply a significant portion of its Renewable Diesel production to BC starting in 2025. With total refined product demand in BC estimated at 200 Mbbl/d, a material gap exists between supply and demand for Renewable Diesel. The mandated reductions in carbon intensities for gasoline and diesel imposed by the BC LCFS and the CFR programs will necessitate refiners in BC to over-blend with Renewable Diesel to meet compliance in their gasoline and diesel pools (as both ethanol and biodiesel have blend wall issues). Tidewater Renewables expects to benefit from having a proven and existing customer base for its Renewable Diesel product due to existing diesel operations and attractive crack spreads at the PGR.

Renewable Natural Gas Competition

Tidewater Renewables will compete against other companies or solutions for access to biogas from different waste sources. Evolving regulatory and consumer preferences, waste energy trends, and project economics have a significant effect on the competitive landscape and Tidewater Renewables' ability to continue generating project returns. The Company is aware of several competitors in the U.S. and Canada who are and are expected to be delivering RNG to market, with the Canadian Biogas Association reporting close to 300 operating projects in Canada (predominately located in BC, Alberta, Ontario, and Quebec). Management is confident in Tidewater Renewables' ability to effectively market products and navigate regulatory and competitive changes.

Hydrogen Competition

Direct incentives for hydrogen related development are mostly related to grants from Canadian and U.S. government and agencies. The Hydrogen Strategy for Canada was released in December 2020 and several Canadian provinces have no released hydrogen strategies with targets; however clear or approved funding plans have yet to be disclosed. Federally, Sustainable Development Technology Canada has provided funding for hydrogen opportunities in Canada.

Tidewater Renewables is a producer of Grey Hydrogen at PGR as well as Renewable Hydrogen in 2023; however, the Company remains confident in its ability to further transition into a producer of blue hydrogen given internal expertise and existing carbon capture operations at Tidewater Midstream's BRC and Ram River processing facilities. Upon completion, Tidewater Renewables' Renewable Hydrogen Plant will be the first of its kind in Canada, scheduled to be completed construction by mid-April 2023, with commissioning and the commencement of operations also expected in Q2 2023.

Feedstock Competition

With the transition to renewable fuels across North America, there is expected to be continued significant competition for high quality feedstocks that can result in material carbon intensity reductions. Tidewater Renewables has been thoughtful around the scarcity of feedstock and has overbuilt and designed the pretreatment facility to accommodate multiple types of feedstock and sub grade qualities for its Renewable Diesel project. In addition, the Company is engaged in commercial negotiations to source feedstocks for the production of Renewable Diesel, Renewable Hydrogen, and RNG and has executed several non-binding memorandums of understanding. It is anticipated that the majority of feedstock will be sourced from within Western Canada and opportunistically from other sources globally.

Environmental Regulation and Insurance

Tidewater Renewables is subject to environmental regulation governing the construction and operation of the Renewable Assets, which requires Tidewater Renewables to obtain operating licenses and permits. To ensure compliance, Tidewater Renewables will work closely with local and regional authorities to address all environmental matters and to comply with licensing and permitting requirements.

Tidewater Renewables will maintain insurance that it considers adequate to insure its operations and properties. The insurance policies will be subject to deductibles and retention levels that Tidewater Renewables considers reasonable. Insurance coverage is subject to specific policy provisions which include standard coverages and exclusions typically available in the industry.

There are no outstanding orders, material claims or lawsuits against Tidewater Renewables, or affecting the Renewable Assets, in relation to the release or discharge of any material into the environment or in connection with environmental protection.

Seasonality and Cyclicality

The business of Tidewater Renewables is expected to continue to exhibit some seasonality and cyclicality due to overall consumption patterns of refined products, feedstock availability, broad macro-economic activity, and extenuating events. For context, clean fuels such as Renewable Diesel, Renewable Natural Gas, and Renewable Hydrogen act as both substitutes and measures to reduce carbon intensities of fossil fuels.

More specifically, demand for diesel products and natural gas tends to be higher in the winter months, which the Company anticipates will correspond with higher demand for Renewable Diesel, Renewable Hydrogen, and Renewable Natural Gas sales. In addition, broad economic activity and extenuating events, such as COVID-19, can negatively impact the consumption of fossil fuels. In some cases, consumer preferences and rates of adoption of renewable fuels may partially or completely offset any declines as a result of broad economic declines.

Employees and Labour Relations

As at December 31, 2022, Tidewater Renewables employed approximately 36 permanent employees and three contractors and consultants in its operations. To-date, Tidewater Renewables has never experienced a labour-related work stoppage at any of its facilities.

Economic Dependence

Other than the Renewable Diesel Project Part 3 Agreement, the Shared Services Agreement and the Assets Ancillary Agreements: (i) the Company is not a party to any contract for the purchase or sale of services or products or any other agreement upon which its business is substantially dependent, and (ii) the Company is not a party to any contracts or subcontracts which terminate, or which are subject to renegotiation this current financial year, and which would reasonably be expected to materially affect the Company's business. As the majority of the Company's revenue is earned by providing services to Tidewater Midstream under the co-processing agreements, the Company may be considered economically dependent on Tidewater Midstream. See "*Agreements with Tidewater Midstream and Other Counterparties — Acquisition Agreements — Agreements Relating to the Co-Processing Assets*".

Specialized Skill and Knowledge

Tidewater Renewables relies on specialized skills and knowledge to: (i) design and operate its crude oil refining and natural gas and NGL gathering, processing and transportation facilities; (ii) maintain government relations to ensure the proper interpretation and compliance with various renewable fuels legislation; and (iii) manage the logistic complexities related to the acquisition of various feedstocks and deliveries of renewable fuels. Tidewater Renewables employs a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff in order to provide the specialized skills and knowledge to effectively undertake its refining, gathering, processing, and transportation operations, as well as its government relations and commercial feedstock requirements. See also "*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*".

RENEWABLE ASSETS

Tidewater Renewables acquired the Initial Assets pursuant to the Acquisition. Any remaining working interest in any Initial Asset that is not 100% owned by Tidewater Renewables is owned by Tidewater Midstream.

Renewable Diesel Business Unit

The Renewable Diesel Business Unit consists of the Renewable Diesel Capital Projects and the Renewable Diesel Assets.

Renewable Diesel Capital Project

Renewable Diesel Project

Upon completion, the Renewable Diesel & Renewable Hydrogen Complex is expected to be Canada's first Renewable Diesel project and will be Tidewater Renewables' flagship asset. Tidewater Renewables owns a 100% working interest in the Renewable Diesel & Renewable Hydrogen Complex.

The Renewable Diesel Project and the Renewable Hydrogen Project were initially being built by Tidewater Midstream as one project and the Company has continued to build it as one project. The Renewable Diesel & Renewable Hydrogen Complex is the facility resulting from the Renewable Diesel Project and the Renewable Hydrogen Project.

The Renewable Diesel & Renewable Hydrogen Complex is Tidewater Renewables' largest renewable initiative — a proposed 3,000 bbl/d Renewable Diesel and Renewable Hydrogen facility located on-site at the PGR. 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.

In conjunction with completion of the Acquisition, Tidewater Midstream assigned its interest in the Renewable Diesel Project Part 3 Agreement to Tidewater Renewables. Pursuant to the Renewable Diesel Project Part 3 Agreement, Tidewater Renewables anticipates receiving and monetizing an aggregate of 275,750 BC LCFS Credits upon satisfaction of the project milestones associated with the construction of the Renewable Diesel & Renewable Hydrogen Complex (183,932 of such credits have already been received). Prior to the Acquisition, Tidewater Midstream incurred approximately $25 million of costs related to the Renewable Diesel & Renewable Hydrogen Complex and received

56,104 BC LCFS Credits directly from the Government of BC under the Renewable Diesel Project Part 3 Agreement as reimbursement for such costs.

Construction of the Renewable Diesel & Hydrogen Complex project is scheduled to be completed by mid-April 2023, with commissioning and the commencement of operations also expected in Q2 2023.

The Renewable Diesel & Hydrogen Complex has endured material cost pressures, including a challenging labour market, supply chain issues, specialty material shortages, contractor underperformance and general procurement inflation. The current gross project cost estimate for the Renewable Diesel & Hydrogen Complex is approximately $342 million (vs. the previous estimate of $260 million). Gross project costs are expected to be offset by an estimated $125 million of BC LCFS credits issued by the Government of BC, under a Part 3 agreement, for achieving certain construction milestones. The project's economics continue to remain attractive, and payback is expected in less than three years of operations.

To decrease commodity price exposure and protect the project's cash flows, the Company has entered into financial forward contracts for vegetable oils and refined products, as well as forward sales of BC LCFS credits. The Company remains hedged on approximately 50% and 40% of the Renewable Diesel & Hydrogen Complex's feedstock volume requirements through 2023 and 2024, respectively, as well as the majority of its co-processing feedstock. See "*General Development of the Business — Three Year History*" for details regarding the First BC LCFS Credit Sale Agreement, the Second BC LCFS Credit Sale Agreement and the BC LCFS Credits that have been received and monetized by the Company. See "*General Development of the Business — Three Year History*" for details regarding the First CFR Credit Sale Agreement and the Second CFR Credit Sale Agreement.

Work Completed to Date

- Submitted Rezoning Permit Application (December 2020)
- Submitted BC Environmental Permit Pre-Application (December 2020)
- Completed Feasibility Study (December 2020)
- Executed Renewable Diesel Project Part 3 Agreement with Government of BC (December 2020)
- Entered Discussions with Several Renewable Diesel Offtakers (January 2021 & Ongoing)
- Completed Tree Clearing (April 2021)
- Selected contractor for engineering and design of Renewable Diesel and Renewable Hydrogen Complex (January 2021)
- Selected contractor for engineering and design of pre-treatment facility (January 2021)
- Executed Feedstock MOUs with Five Parties (April 2021 & Ongoing)
- Earthworks Underway (June to October 2021)
- Ordered Certain Long-Lead Items (July 2021)
- Submitted BC Environmental Permit Application (July 2021)
- Completed Initial Public Offering (August 2021)
- Completed Credit Facilities (August 2021)
- Completed FEED (August 2021)
- Positive final investment decision (August 2021)
- Received Rezoning Permit (September 2021)
- Submitted Building Permit Application (September 2021)
- Received "heavy industrial" Rezoning Covenant Sign-off from the City of Prince George (Q3 2021)
- Received Approval for Amended PGR Air Permit (November 2022)
- Approval for Building Permit Application (2022)
- Execution of feedstock contracts (2022)
- Execution of Renewable Diesel offtake agreements (2023)
- Construction completed for tank farm and buffer tank area (2023)
- Receive final long-lead reactors and major equipment (2023)

Remaining Milestones

- Remainder of construction and commissioning activities (Q4 2022 to Q2 2023)

The Company anticipates that operating cash flow and the potential to receive and sell BC LCFS and CFR Credits related to its Renewable Assets will provide additional sources of funds for the Company to achieve its development and expansion plans and other business objectives, however there is no assurance that any such amounts will be available or sufficient to achieve all of the Company's intended milestones. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Capital Required for Business Objectives and Milestones, Including Renewable Diesel & Renewable Hydrogen Complex*".

The Company plans on utilizing its existing infrastructure and strong refining presence in BC for the production, distribution and logistics associated with delivering the Renewable Diesel to customers. The Company's plan is to be involved in every aspect of the Renewable Diesel and Renewable Hydrogen value chain, from acquiring feedstock, managing construction, and operating the Renewable Diesel & Renewable Hydrogen Complex to marketing, selling and distributing the Renewable Diesel and associated excess Renewable Hydrogen. As part of the Company's integrated model, Tidewater Renewables will continue to procure feedstocks provincially, nationally, and at times, internationally, and converting those natural fats, oils and greases into Renewable Diesel and Renewable Hydrogen. The Company plans to continue utilizing a wide variety of low-cost and waste-stream feedstocks, including animal fats, used cooking oil and distillers corn oil. At times, the Company may also utilize a smaller portion of its Renewable Diesel and Renewable Hydrogen production from higher cost virgin vegetable oils.

Renewable Diesel Assets

The Renewable Diesel Assets consist of the Canola Co-Processor, the FCC Co-Processor, the PGR Tankage Assets & Interest, the Railcar Assets, the PGR Truck & Rail Rack Interest and the Unifiner Reactor Interest.

Canola Co-Processor

As a result of the Acquisition, Tidewater Renewables owns a 100% working interest in the Canola Co-Processor.

The Canola Co-Processor is located at the PGR. The 300 bbl/d Canola Co-Processor blends canola oil as feedstock directly into the Unifiner at PGR to produce Renewable Diesel.

The Canola Co-Processor was put into service in Q4 2021 and has operating continuously since commissioned. The Co-Processor is expected to take a small outage during the PGR turnaround as well as undergo some slight upgrades, which are currently anticipated in Q2 2023.

Based on the BC CI methodology, the Renewable Diesel produced by the Canola Co-Processor has a CI of approximately 80–90% less than conventional fossil fuel diesel.

See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Capital Required for Business Objectives and Milestones, Including Renewable Diesel & Renewable Hydrogen Complex*".

FCC Co-Processor

As a result of the Acquisition, Tidewater Renewables owns a 100% working interest in the FCC Co-Processor.

The Company successfully commissioned Phase 1 of the FCC Co-Processor in August 2022. Phase 1 of the FCC Co-Processor is capable of approximately 100 bbl/d of throughput. Phase 2 commissioning is expected to be completed in 2023 in conjunction with the PGR turnaround and will increase throughput capacity to approximately 300 bbl/d.

The FCC Co-Processor is located at the PGR. The project entails new equipment, tankage, and certain upgrades to the FCC to enable renewable feedstock co-processing. The estimated total cost for the FCC Co-Processor is $10 million.

Tidewater Midstream assigned its interest in the FCC Co-Processor Part 3 Agreement to Tidewater Renewables. Pursuant to the FCC Co-Processor Part 3 Agreement, Tidewater Renewables anticipates receiving and monetizing an aggregate of 9,134 BC LCFS Credits upon satisfaction of certain project milestones.

In conjunction with the transfer of the Interest in the FCC Co-Processor, Tidewater Midstream and Tidewater Renewables entered into an agreement providing Tidewater Renewables up to 300 bbl/d throughput through the FCC unit.

See "*General Development of the Business — Three Year History*" for details regarding the First BC LCFS Credit Sale Agreement, the Second BC LCFS Credit Sale Agreement and the BC LCFS Credits that have been received and monetized by the Company.

Based on the BC CI methodology, the Renewable Diesel and renewable gasoline produced by the FCC Co-Processor has a carbon intensity of approximately 80–90% less than conventional fuels.

The Company anticipates that operating cash flow and the potential to receive BC LCFS Credits and CFR 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, however there is no assurance that any such amounts will be available or sufficient to achieve all of the Company's intended milestones. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Capital Required for Business Objectives and Milestones, Including Renewable Diesel & Renewable Hydrogen Complex*".

PGR Tankage Assets & Interest

PGR has onsite storage capacity of over one million barrels. Tidewater Renewables owns a 25% working interest in PGR onsite storage tankage assets, which are used to store ethanol, biodiesel, Renewable Diesel, as well as finished blends of fossil and clean fuels.

Railcar Assets

As a result of the Acquisition, Tidewater Renewables assumed the leases of approximately 300 rail tank cars, a type of unpressurized general service tank car in common use in North America. Tidewater Renewables will assume the leases regarding approximately 300 railcars. The railcars are leased from Trinity Industries Leasing Company and have an average contract price of approximately US$1,232.33 per railcar per month and have a remaining contract life of approximately four years.

Tidewater Renewables has also entered lease agreements for approximately 20 food grade unpressurized general service railcars. These railcars have an average remaining contract life of approximately five years and an average contract price of US$912.45 per railcar per month.

Tidewater Renewables utilizes its railcar fleet to transport various feedstocks, renewable products, and finished blends.

PGR Truck & Rail Rack Interest

As a result of the Acquisition, Tidewater Renewables owns a 33% working interest in the truck and rail rack located at PGR. The truck & rail rack is a structure that consists of a platform and a loading arm that is used during the loading and unloading process for trucks and railcars. These assets include renewable and refined product truck and rail loading and unloading facilities, which are capable of handling approximately 30,000 bbl/d and which will be used to load and unload renewable feedstock and finished production.

Unifiner Reactor Interest

As a result of the Acquisition, Tidewater Renewables owns a 25% interest in the 10,500 bbl/d unifiner at PGR. The unifiner is an asset that is integrated into the PGR. It is a catalytic chemical process used to remove sulphur from refined products produced at PGR. As lighter crude, renewable feedstocks, and naphtha feedstock are fed through the refinery, the unifiner strips the sulphur as part of the refining process. For additional clarity, the Unifiner Reactor Interest is the functional unit where the canola feed-stock combines with catalysts and hydrogen to transform into Renewable Diesel and is an important process in the overall PGR.

HDRD Feedstock Assets

Feedstock Acquisition

On January 10, 2022, the Company completed the Feedstock Acquisition, being a used cooking oil supplier. Such acquisition provides certain feedstock supply for a portion of the renewable fuels production from the Renewable Diesel & Renewable Hydrogen Complex. Total consideration for the Feedstock Acquisition was $3.5 million, consisting of a cash and a Common Shares component.

The Feedstock Acquisition is aligned with Tidewater Renewables' feedstock strategy of growing its portfolio of discounted feedstocks, particularly those with a low carbon intensity advantage, such as used cooking oil. The acquired supplier is an established Alberta-based used cooking oil supplier with 12 years of operations and approximately 1,700 collection points. Tidewater Renewables plans to grow the acquired business and had already improved realized pricing by approximately 15% between closing and announcing the Feedstock Acquisition. See "*General Development of the Business — Three Year History — 2022*".

Cattle Inventory

The Company's 50% investment in RCC included RCC's associated Feedlot Infrastructure and cattle inventory. The investment in RCC provides a significant long-term feedstock supply for the RNG projects. See "*Renewable Assets — RNG Business Unit — RNG Capital Project — RNG Facility Project*" and "*General Development of the Business — Three Year History — 2022*".

Renewable Hydrogen Business Unit

The Renewable Hydrogen Business Unit consists of the Renewable Hydrogen Capital Project and the Renewable Hydrogen Assets.

Renewable Hydrogen Capital Project

The Renewable Diesel Project and the Renewable Hydrogen Project are being built by the Company as one project. The Renewable Diesel & Renewable Hydrogen Complex is the facility resulting from the Renewable Diesel Project and the Renewable Hydrogen Project.

For design, procurement, and project execution purposes the Renewable Hydrogen Capital Project is considered part of the Renewable Diesel Project. The Renewable Hydrogen Capital Project is currently designed to have excess hydrogen capacity which Tidewater Renewables will be looking to monetize into premium markets.

Renewable Hydrogen Assets

The Renewable Hydrogen Assets consist of the Steam Methane Reformer and the Water Treatment & Electrical Facilities Interest.

Steam Methane Reformer

As a result of the Acquisition, Tidewater Renewables owns a 100% interest in the Steam Methane Reformer. The Steam Methane Reformer is an asset that is integrated into the current PGR operations and will be utilized for co-processing of various renewable feedstock such as canola and biocrude to produce Renewable Diesel.

The Steam Methane Reformer unit takes natural gas feedstock, connected through various pipelines, and steam generated from PGR to create Grey Hydrogen. Currently the majority of the Grey Hydrogen produced at PGR is flared as there is no exiting infrastructure to store or transport the Grey Hydrogen nor is there an available local market for Grey Hydrogen.

Water Treatment & Electrical Facilities Interest

As a result of the Acquisition, Tidewater Renewables owns a 50% working interest in the water treatment and electrical facilities at PGR.

The water treatment facility is designed to process water effluent captured onsite with a water treatment plant on the south side of the process area, with typical American Petroleum Institute oil/water separators and processing in a closed, and nitrogen-blanketed system. Heavy slop from this system is piped to the truck loading racks for removal from site.

The electrical facility includes a 2,000 amp, 4,160 volt bus in Main Electrical Building (MEB) on the south side of the process area, five main Electrical Buildings (EB), as well as other MCC and switchgear areas. The electrical system has been upgraded since 2005, including the MEB and three substations (EB2, EB3, and EB6) which include new buildings, modern switchgear, and protection systems. The water treatment and electrical facilities are part of PGR and will also support the operations of the Renewable Diesel and Renewable Hydrogen Complex and Canola and FCC Co-Processors. In addition, these facilities are electrically driven and consume power from the local BC Hydro grid, which is 98% derived from clean sources. Components, such as the main facility transformer, will be upgraded during the PGR turnaround scheduled for Q2 2023. This upgrade is required to accommodate the additional power requirements for the Renewable Diesel and Renewable Hydrogen Complex.

Based on the ownership interest in the Renewable Diesel Assets and the Renewable Hydrogen Assets, the net undiscounted asset retirement obligation associated with such assets is approximately $8,348,942 ($1,112,790 discounted at 9.0%).

RNG Business Unit

The RNG Business Unit consists of the RNG Capital Project and the RNG Assets.

RNG Capital Project

The Company's material RNG Capital Project is the RNG Facility Project.

RNG Facility Project

On April 4, 2022, the Company announced its strategic investments in RNG LP and in RCC. These investments are aimed to advance the Company's RNG business and secure long-term feedstock supply for both its RNG and renewable fuels businesses. The RNG LP investment includes the RNG Facility Project, being the RNG Facility, which is backstopped by the 20-year Offtake Agreement, and which includes the opportunity for additional RNG facilities in the future. The RNG Facility will convert feedlot manure to pipeline quality RNG with negative carbon intensity scores (meaning it takes more carbon out of the environment than it produces) through an anaerobic digestion and gasification process.

The investment in RCC included the Company agreeing to invest $30 million in exchange for a 50% ownership of RCC, including its associated Feedlot Infrastructure and cattle inventory. The investment in RCC provides a long-term feedstock supply for the RNG projects, including the RNG Facility.

Under the terms of these strategic investments, RCC will continue to operate the Feedlot Infrastructure and Tidewater Renewables will operate the RNG Facility, each leveraging their own corporate expertise.

During the third quarter of 2022, the Company made significant progress on its RNG business, including the completion of preliminary engineering & design on the RNG Facility. The Company is progressing detailed design and has initiated its regulatory process, including public engagement.

The RNG Facility intends to leverage Tidewater Renewables' natural gas processing and marketing experience with its investment partner's access to feedstocks. The RNG Facility is expected to have a gross capital cost of approximately $70 million, before approximately $7–9 million of anticipated government support, of which $1 million has been received.

On October 17, 2022, Tidewater Renewables announced that its majority owned subsidiary Rimrock Renewables Limited Partnership entered into the 20-year Offtake Agreement with FortisBC Energy Inc. Under the Offtake Agreement, FortisBC Energy Inc. expects to purchase up to 525,000 gigajoules of RNG annually from the RNG Facility. The Offtake Agreement remains subject to regulatory approval by the British Columbia Utilities Commission, with a decision expected to be received in the first quarter of 2023. The Company expects to start supplying RNG under the Offtake Agreement by the first half of 2024.

On October 17, 2022, the Company advised that, through its investment in RCC, the Company expects to secure a significant source of the project's feedstock requirements for the entirety of the life of the project by the start of commercial operations of the RNG Facility.

RNG Assets

The RNG Assets consist of the Renewable Storage Reservoir Assets, the Renewable Storage Infrastructure Assets and the RNG Feedstock Assets.

The Renewable Storage Reservoir Assets and the Renewable Storage Infrastructure Assets are located at Tidewater Midstream's BRC in Alberta. The Company anticipates expanding such assets to store biogas and becoming a dominant supplier of RNG to local gas utilities.

Renewable Storage Reservoir Assets

Tidewater Renewables owns a 100% interest in the Renewable Storage Reservoir Assets. The Renewable Storage Reservoir Assets refer to the F-pool storage reservoir at BRC, which has capacity of 32 Bcf and daily injection rate of 30 MMcf/d (through one injection well) and a daily withdrawal rate of 12-15 MMcf/d (through one withdrawal well). In addition to existing natural gas storage operations, F-pool will also be used for storage of RNG and hydrogen.

Renewable Storage Infrastructure Assets

Tidewater Renewables owns a 100% working interest in the Renewable Storage Infrastructure Assets. The Renewable Storage Infrastructure Assets refer to certain associated infrastructure related to the Renewable Storage Reservoir Assets, including dedicated injection (14 kilometers, 4.5" diameter) and withdrawal (14 kilometers, 6" diameter) pipelines, 1,480 horsepower compression site (at 6-20-48-13-W5) and two wells (one injection and one withdrawal).

RNG Feedstock Assets

The Company's 50% investment in RCC included RCC's associated Feedlot Infrastructure and cattle inventory. The investment in RCC provides a long-term feedstock supply for the RNG projects, including the RNG Facility. See "*Renewable Assets — RNG Business Unit — RNG Capital Project — RNG Facility Project*" and "*General Development of the Business — Three Year History — 2022*".

AGREEMENTS WITH TIDEWATER MIDSTREAM AND OTHER COUNTERPARTIES

In conjunction with the Acquisition of the Initial Assets from Tidewater Midstream, the Company and Tidewater Midstream entered into the Acquisition Agreements, the Shared Services Agreement, the Governance Agreement, and the Investor Liquidity Agreement.

Acquisition Agreements

Agreements Relating to the Co-Processing Assets

In conjunction with the Initial Public Offering and the Acquisition, pursuant to which the Company acquired the Co-Processing Assets indirectly from Tidewater Midstream, the Company and Tidewater Midstream entered into: (i) a purchase and sale agreement pursuant to which the Company acquired the Co-Processing Assets indirectly from Tidewater Midstream (the "**Co-Processing PSA**"); (ii) a construction, ownership and operating agreement governing the ownership of the Co-Processing Assets, as well as the allocation of operating costs (the "**Co-Processing CO&O Agreement**"); and (iii) a purchase and sale agreement pursuant to which Tidewater Midstream agreed to pay a fixed fee in exchange for capacity and or services related to the Co-Processing Assets (the "**Co-Processing Take-or-Pay Agreement**").

Co-Processing PSA

Pursuant to the Co-Processing PSA, Tidewater Renewables acquired the Co-Processing Assets from Tidewater Midstream for aggregate consideration of $438.2 million (including $146.5 million in cash and the balance in Common Shares). The purchase by Tidewater Renewables of the Co-Processing Assets was on an "as is, where is" basis, except for the express representations, warranties and indemnities contained in the Co-Processing PSA.

Subject to certain limitations, the Company and Tidewater Midstream agreed to be liable to and indemnify each other for claims that may be brought against the other or for losses and liabilities that the other suffers as a result of a breach of a representation or warranty or covenant of such party in the Co-Processing PSA provided that Tidewater Renewables is not liable or required to indemnify Tidewater Midstream in respect of claims or losses and liabilities which are caused by the gross negligence or willful misconduct of Tidewater Midstream or its representatives or for matters or things for which Tidewater Renewables is entitled to indemnification by Tidewater Midstream under the Co-Processing PSA.

In addition, Tidewater Renewables agreed that, subject to certain exceptions, from and after the completion of the Acquisition, it will be liable to and indemnify Tidewater Midstream for all claims or losses and liabilities that Tidewater Midstream suffers, sustains, pays or incurs which arise out of any matter or thing occurring, accruing or arising on and after the closing date of the Acquisition and which relates to the Co-Processing Assets and in respect of all past, present and future environmental liabilities related thereto, provided that a party is not liable for a breach of a representation and warranty in the Co-Processing PSA unless notice of such breach is provided prior to 12 months following the effective date or to the extent the loss is reimbursed by insurance carried by such party.

The full text of the Acquisition Agreements are available on SEDAR at www.sedar.com under the Company's profile.

Co-Processing CO&O Agreement

The Co-Processing CO&O Agreement outlines, among other things, the operating procedure for the PGR, which is the operating procedure contained in the 1999 Petroleum Joint Venture Association (PJVA) Model Construction, Ownership and Operating Agreement, subject to the elections and modification made to such document as stipulated in the Co-Processing CO&O Agreement and as modified to accommodate operation of the PGR. The majority of the modifications are to accommodate the unique operations of the Co-Processing Assets. The purpose of the Co-Processing CO&O Agreement is to document the terms of ownership of the Co-Processing Assets, the allocation of facility costs, provide terms for the operation of the facility and set out the basis upon which a share of the facility products will be allocated and distributed to each person delivering substances to each functional unit within the Co-Processing Assets. Tidewater Midstream and Tidewater Renewables are the only parties to the Co-Processing CO&O Agreement, as they are the only owners of the Co-Processing Assets. Pursuant to the Co-Processing CO&O Agreement, Tidewater Midstream was designated as the initial operator of the Co-Processing Assets.

The Co-Processing CO&O Agreement also specifies the capacity utilization within each functional unit of the facility. In particular, all substances delivered to the facility by Tidewater Midstream are allocated to Tidewater Renewables' ownership share of capacity up to a maximum volume equal to the committed volume specified in the Co-processing Take-or-Pay Agreement. The Co-Processing CO&O Agreement also sets out the order of cutbacks in the event that the applicable facility cannot handle all inlet substances delivered on a day and specifies that the volumes delivered by Tidewater Midstream pursuant to the Co-Processing Take-or-Pay Agreement, and which utilize Tidewater Renewables' capacity, have the highest priority and are last to be cutback.

Pursuant to the Co-Processing CO&O Agreement, Tidewater Renewables and Tidewater Midstream are responsible for capital and operating costs in proportion to their ownership interest in each functional unit in the Co-Processing Assets. See "*Renewable Assets*". The Co-Processing CO&O Agreement includes a mutual right of first refusal in the event that an owner seeks to dispose of its interest in the assets subject to the Co-Processing CO&O Agreement. This right of first refusal may impact the parties' ability to sell assets to third parties in the future.

Co-Processing Take-or-Pay Agreement

Pursuant to the Co-Processing Take-or-Pay Agreement, Tidewater Midstream agreed to pay to the Company a fixed fee for each unit of inlet substance for capacity and/or services in connection with the Co-Processing Assets, whether or not such substances are actually delivered, subject to the Co-Processing CO&O Agreement, with such amounts representing the Company's share of ownership of the Co-Processing Assets. Pursuant to the Co-Processing Take-or-Pay Agreement, each of the Company's and Tidewater Midstream's proportionate share of the operating and maintenance capital costs of ownership of the applicable Co-Processing Assets shall be governed by the Co-Processing CO&O Agreement.

Under the Co-Processing Take-or-Pay Agreement, the Company agreed, during each year of the term of the agreement, to deliver prescribed capacity and or related services in connection with the Co-Processing Assets in which Tidewater Midstream has a beneficial ownership interest. The take-or-pay volume commitment includes annual and monthly capacity commitments in exchange for a fixed fee paid by Tidewater Midstream. The determination of the capacity commitments shall be made in accordance with a formula based upon capacity amounts, number of days in the year, estimated number of non-operating days in the year, and the estimated number of force majeure days in the year, as applicable. Adjustments will be applied to the first invoice of each calendar year in respect of the previous calendar year. The Co-Processing Take-or-Pay Agreement is for an initial term of 15 years.

Both the Company and Tidewater Midstream have the right to audit the books, records, and accounts of the other party with respect to payments made to the Company, and deductions taken from the volumes received, for up to 24 months following the end of each applicable year.

Agreements Relating to the RNG & Hydrogen Storage Assets

In conjunction with the acquisition of the RNG & Hydrogen Storage Assets, the Company and Tidewater Midstream entered into: (i) the RNG & Hydrogen Storage PSA; (ii) the RNG & Hydrogen Storage Operating Agreement; and (iii) the RNG & Hydrogen Storage Take-or-Pay Agreement. The full text of these agreements are available on SEDAR at www.sedar.com under the Company's profile.

RNG & Hydrogen Storage PSA

Pursuant to the RNG & Hydrogen Storage PSA, Tidewater Renewables acquired the RNG & Hydrogen Storage Assets from Tidewater Midstream for aggregate consideration of $100.3 million (including $33.5 million in cash and the balance in Common Shares). The purchase by Tidewater Renewables of the RNG & Hydrogen Storage Assets was on an "as is, where is" basis, except for the express representations, warranties and indemnities contained in the RNG & Hydrogen Storage PSA.

Subject to certain limitations, the Company and Tidewater Midstream agreed to be liable to and indemnify each other for claims that may be brought against the other or for losses and liabilities that the other suffers as a result of a breach of a representation or warranty or covenant of such party in the RNG & Hydrogen Storage PSA provided that Tidewater Renewables is not liable or required to indemnify Tidewater Midstream in respect of claims or losses and liabilities which are caused by the gross negligence or willful misconduct of Tidewater Midstream or its representatives or for matters or things for which Tidewater Renewables is entitled to indemnification by Tidewater Midstream under the RNG & Hydrogen Storage PSA.

In addition, Tidewater Renewables agreed that, subject to certain exceptions, from and after closing of the Acquisition, it is liable to and indemnify Tidewater Midstream for all claims or losses and liabilities that Tidewater Midstream suffers, sustains, pays or incurs which arise out of any matter or thing occurring, accruing or arising on and after the closing date of the Acquisition and which relates to the Co-Processing Assets and in respect of all past, present and future environmental liabilities related thereto, provided that a party is not liable for a breach of a representation and warranty in the RNG & Hydrogen Storage PSA unless notice of such breach is provided prior to 12 months following the effective date or to the extent the loss is reimbursed by insurance carried by such party.

RNG and Hydrogen Storage Operating Agreement

Pursuant to the RNG & Hydrogen Storage Operating Agreement, the Company and Tidewater Midstream outline, among other things, the operating procedure for the RNG & Hydrogen Storage Assets, which utilizes the operating procedure contained in the 2003 Petroleum Joint Venture Association (PJVA) Model Contract Wells/Facilities Operating Agreement, subject to the elections and modification made to such document as stipulated in the RNG & Hydrogen Storage Operating Agreement. The purpose of the RNG & Hydrogen Storage Operating Agreement is to govern the conduct of operations of the RNG & Hydrogen Storage Assets, the allocation of responsibilities between Tidewater Midstream and Tidewater Renewables, and the fees related thereto. Tidewater Midstream and the Company are the only parties to the RNG and Hydrogen Storage Operating Agreement.

RNG & Hydrogen Storage Take-or-Pay Agreement

Pursuant to the RNG and Hydrogen Storage Take-or-Pay Agreement, Tidewater Midstream agreed to pay the Company a fixed fee for capacity and/or services in connection with one or more of the RNG & Hydrogen Storage Assets, subject to the RNG & Hydrogen Storage Operating Agreement with such amounts representing 100% of the Company's ownership share of the RNG & Hydrogen Storage Assets. Pursuant to the RNG & Hydrogen Storage Take-or-Pay Agreement, each of the Company's and Tidewater Midstream's proportionate share of the operating and maintenance capital costs of ownership of the applicable RNG and Hydrogen Storage Assets shall be governed by the RNG & Hydrogen Storage Operating Agreement.

Under the RNG & Hydrogen Storage Take-or-Pay Agreement, the Company agreed, during each year of the term of the agreements, to deliver prescribed capacity and or related services in connection with the RNG & Hydrogen Storage Assets in which Tidewater Midstream has a beneficial ownership interest to. The Take-or-Pay Agreement volume commitment includes annual and monthly capacity commitments, in exchange for a fixed fee paid by Tidewater Midstream. The determination of the capacity commitments shall be made in accordance with a formula based upon capacity amounts, number of days in the year, estimated number of non-operating days in the year, and the estimated number of force majeure days in the year, as applicable.

The RNG & Hydrogen Storage Take-or-Pay Agreement continues for the life of the reserves associated with the lands or until such time as the Company's area is suspended for a time period of at least two consecutive years or when Tidewater Midstream deems the area dedication not able to economically and competitively produce. Both the Company and Tidewater Midstream have the right to audit the books, records, and accounts of the other party with respect to payments made to the Company, and deductions taken from the volumes received, for up to 24 months following the end of each applicable year.

Third-Party Storage Agreement

In conjunction with the acquisition of the RNG & Hydrogen Storage Assets, Tidewater Midstream assigned the Company all of its rights and interests in the Third-Party MSA. Pursuant to the Third-Party MSA, Tidewater Renewables and a third party effected certain transactions related to the RNG Assets owned by Tidewater Renewables and operated by Tidewater in accordance with the RNG and Hydrogen Storage Operating Agreement.

Shared Services Agreement

In conjunction with the Acquisition, the Company and Tidewater Midstream entered into the Shared Services Agreement pursuant to which Tidewater Midstream agreed to provide or arrange for the provision of certain management and administrative services required by the Company for an aggregate monthly fee initially set at cost plus 5%, and reimbursement of associated out-of-pocket costs and expenses until the fifth anniversary of the closing date of the Acquisition, subject to earlier termination and subject to extension upon mutual agreement of the Company and Tidewater Midstream.

Employees of Tidewater Midstream that are providing general and administrative services to Tidewater Renewables pursuant to the Shared Services Agreement are the same individuals performing similar services for Tidewater Midstream. Accordingly, Tidewater Renewables and Tidewater Midstream expect to continue achieving certain managerial, administrative, and operational efficiencies, thereby reducing the overall costs associated with managing and operating the business of Tidewater Renewables. It is anticipated that Tidewater Midstream's knowledge and expertise in relation to the Initial Assets will continue to contribute to their effective operation and utilization.

The full text of the Shared Services Agreement is available on SEDAR at www.sedar.com under the Company's profile.

Governance Agreement

In conjunction with the Acquisition, the Company and Tidewater Midstream entered into the Governance Agreement that governs various aspects of their relationship.

Under the Governance Agreement, for so long as the percentage of outstanding Common Shares (on a non-diluted basis) beneficially owned directly or indirectly by Tidewater Midstream is not less than 40% of the issued and outstanding Common Shares, Tidewater Midstream is entitled to nominate such number of members of the Board (each a "**TWM Board Member**") that is equal to the greater of two and 40% of the members of the Board (rounded up or down to the nearest whole number, if applicable). The nominees of Tidewater Midstream to the Board may be directors, officers or employees of Tidewater Midstream or its affiliates, or other persons, at Tidewater Midstream's discretion. Subject to any requirements of the ABCA, Tidewater Midstream is entitled to nominate for appointment or election to the Board a replacement director for any vacancy on the Board, provided Tidewater Midstream remains, at that time, entitled to appoint such director. The Governance Agreement provides that, unless unanimously agreed upon by the Board, at no time shall the number of directors to be elected at a meeting of Shareholders be fixed at six. The Governance Agreement also provides that if the percentage of outstanding Common Shares beneficially owned directly or indirectly by Tidewater Midstream is less than 40% but greater than or equal to 10%, Tidewater Midstream shall be entitled to nominate its proportionate share of the members of the Board (rounded up to the next whole number) based on such percentage.

If an individual nominated by Tidewater Midstream fails to be elected by the Shareholders as a director of the Board, Tidewater Midstream shall have the right to designate such individual as an observer of the Board (a "**Board Observer**"). The Board Observer shall be entitled to: (i) receive notice of and to attend meetings of the Board and any committee of the Board; (ii) take part in discussions and deliberations of matters brought before the Board; (iii) receive notices, consents, minutes, documents and other information and materials that are sent to members of the Board or any committee of the Board; and (iv) receive copies of any written consent resolutions proposed to be adopted by the Board or any committee of the Board, including any resolution as approved, each at substantially the same time and in substantially the same manner as the members of the Board, except that the Board Observer shall not be entitled to vote on any matters brought before the Board. The Board Observer will also not be entitled to any compensation from the Company, except that reasonable out-of-pocket expenses of the Board Observer shall be reimbursed by the Company.

To the fullest extent permitted by law, the Company will indemnify all current and former nominees of Tidewater Midstream appointed to the Board and Board Observers and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle any action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Company if he or she: (i) acted honestly and in good faith with a view to the best interests of the Company; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.

Under the Governance Agreement, the Company also provided Tidewater Midstream with certain rights to participate in future offerings of securities by the Company. Provided Tidewater Midstream beneficially owns, directly or indirectly, not less than 40% of the issued and outstanding Common Shares (on a non-diluted basis) and subject to limited exceptions, if the Company proposes to, or reasonably anticipates that it will, issue any Common Shares (the "**Offered Securities**") or other securities convertible into or exercisable or exchangeable for Offered Securities (the "**Convertible Securities**"), the Company will promptly first offer Tidewater Midstream the opportunity to subscribe for and acquire that number of Offered Securities or Convertible Securities equal in amount to Tidewater Midstream's then outstanding proportionate interest in the Common Shares or any such lesser amount as Tidewater Midstream may elect to subscribe for at the subscription price as determined by the Board. If any of the Offered Securities or Convertible Securities are not subscribed for by Tidewater Midstream within the applicable periods provided for in the Governance Agreement, the Company may proceed to offer such unsubscribed Offered Securities or Convertible Securities within the period of 60 days after the expiration of such applicable period to any person, provided the price at which such Offered Securities or Convertible Securities are issued is not less than the subscription price offered to Tidewater Midstream and the terms of payment for such Offered Securities or Convertible Securities are not more favourable to such person than the terms of payment offered to Tidewater Midstream.

The foregoing rights will also apply to any debt securities or securities convertible into debt securities issued by the Company on the basis that Tidewater Midstream shall be offered the right to subscribe for up to that percentage of the total aggregate principal amount of debt securities or number of securities convertible into debt securities to be issued equal to the percentage of outstanding Common Shares then beneficially owned by Tidewater Midstream. Furthermore, such rights will apply to any Offered Securities or Convertible Securities issued by the Company for proceeds other than cash, including in connection with any acquisition, business combination or similar transaction, and Tidewater Midstream shall be offered the right to subscribe for such number of Offered Securities or Convertible Securities, at a market-based price or price as determined by mutual agreement between Tidewater Midstream and the Board, to entitle Tidewater Midstream to maintain its proportionate ownership of Common Shares, or such lesser amount as Tidewater Midstream may elect. Tidewater Midstream will also be entitled to subscribe for, no more than once per fiscal quarter and at a market-based price or price as determined by mutual agreement between Tidewater Midstream and the Board, such number of additional Common Shares to allow Tidewater Midstream to maintain its proportionate ownership of Common Shares, or such lesser amount as Tidewater Midstream may determine, after giving effect to issuances of Common Shares by the Company pursuant to compensation plans or similar plans.

The Governance Agreement provides that, for so long as Tidewater Midstream beneficially owns not less than 40% of the issued and outstanding Common Shares and subject to certain exceptions, the Company will be required to seek Tidewater Midstream's prior written consent to: (i) issue any Common Shares, other equity or voting securities of the Company or any Convertible Securities, or to otherwise modify the capitalization of the Company; (ii) undertake a material change in the business of the Company; (iii) increase the size of the Credit Facility, create additional credit facilities, incur alternative indebtedness, in each case in aggregate in excess of $20 million in any one fiscal year, or make capital expenditures of more than $500,000 outside of the budget; or (iv) become party to or engage in any hedging, swap, derivative or similar agreements or activities.

For so long as Tidewater Midstream is required to consolidate the results of operations and financial position of, or account for its investment in, the Company, the Company will provide Tidewater Midstream with certain financial information and data with respect to the Company and its business, properties, financial positions, results of operations and prospects, as may reasonably be required by Tidewater Midstream to meet its reporting obligations. In addition, the Company will be obligated to, among other things: (i) maintain effective disclosure controls and procedures and to comply with applicable securities laws; (ii) provide financial reports to Tidewater Midstream in connection with each meeting of the Board and meeting of the audit committee of the Company; (iii) prepare all financial and other information to be provided by the Company to Tidewater Midstream or filed with any securities regulatory authority, in accordance with applicable securities laws; (iv) consult with Tidewater Midstream as to the timing of any financial guidance in respect of the Company for a current or future period that the Company intends to publish or otherwise make public, and give Tidewater Midstream the opportunity to review the information therein relating to the Company and to comment thereon; (v) provide Tidewater Midstream with drafts of all reports, notices and proxy and information statements to be filed with any securities regulatory authorities and consult with Tidewater Midstream regarding changes thereto, particularly with respect to any changes that would have an effect upon the financial statements, or related disclosure of Tidewater Midstream; (vi) propose for appointment by its Shareholders Deloitte LLP unless Tidewater Midstream provides its prior written consent to the appointment of any other party as the Company's auditors, such consent to not be unreasonably withheld; and (vii) cooperate fully, and use commercially reasonable efforts to cause the auditors of the Company to reasonably cooperate, with Tidewater Midstream to the extent reasonably requested by Tidewater Midstream in the preparation of any filings made by Tidewater Midstream with any securities regulator pursuant to applicable securities laws.

The Governance Agreement continues in force until the earlier of (i) the date on which the Governance Agreement is terminated by the written agreement of Tidewater Midstream and the Company; or (ii) the date on which Tidewater Midstream beneficially owns directly or indirectly less than 10% of the issued and outstanding Common Shares (on a non-diluted basis). Certain of the rights and obligations under the Governance Agreement, other than the requirements for the Company to provide certain information to Tidewater Midstream as described in the foregoing paragraph and certain tax-related provisions, may be assignable to a transferee of Common Shares, upon notice to the Company, other than in respect of transfers made pursuant to a public prospectus offering. See "*Risk Factors — Risks Relating to the Company's Relationship with Tidewater Midstream — Future Changes in Relationship with Tidewater Midstream*".

The full text of the Governance Agreement is available on SEDAR at www.sedar.com under the Company's profile.

Investor Liquidity Agreement

In conjunction with the Acquisition, Tidewater Midstream and the Company entered into the Investor Liquidity Agreement. The Investor Liquidity Agreement provides that Tidewater Midstream and any direct or indirect transferee of Tidewater Midstream who shall become party to the Investor Liquidity Agreement (each a "**Holder**") may, at any time and from time to time, make a written request to the Company to file a prospectus in any jurisdiction or jurisdictions of Canada (a "**Demand Registration**") in respect of the distribution of all or part of the Common Shares then held by the Holder ("**Registrable Securities**"), subject to certain restrictions as discussed below. Upon receipt by the Company of a Demand Registration, the Company will be required to use its reasonable commercial efforts to file a prospectus in order to permit the offer and sale or other disposition or distribution in Canada of all or any portion of the Registrable Securities. The Company may satisfy its obligations through the use of a shelf prospectus and applicable shelf prospectus supplements or, in the case of a private placement, a private placement memorandum, and, in connection with the filing of a shelf prospectus, each Holder agrees to reasonably cooperate with the Company in connection with the filing of such shelf prospectus.

The Demand Registration rights are subject to certain limitations, including that: (i) other than in respect of a shelf prospectus, the Company shall not be obligated to file a prospectus in respect of a Demand Registration within 60 days after the effective date of a previously filed prospectus; and (ii) the Company shall not be obligated to file a prospectus in respect of a Demand Registration unless the request is for a number of Registrable Securities with a market value that is equal to at least $50 million as of the date of such request for Demand Registration. If the Company declines to effect a Demand Registration pursuant to (i) or (ii) above, and if the Holder within 30 days after receipt of a notice from the Company advises that it has determined to withdraw such request for a Demand Registration, then such Demand Registration and the request therefor will be deemed to be withdrawn and such request will be deemed not to have been given for purposes of determining whether such Holder has exercised its right to a Demand Registration permitted to such Holder.

In the event that a majority of the members of the Board who have not been nominated by Tidewater Midstream (the "**Independent Directors**") determine, in their good faith judgment, that any Demand Registration should not be made or continued because it would materially adversely affect a pending or proposed material acquisition, merger, amalgamation, recapitalization, consolidation, reorganization, business combination, or similar transaction, or negotiations, discussions or pending proposals with respect thereto, or would require the disclosure of material non-public information that, in the good faith judgment of a majority of the Independent Directors, would have a material adverse effect on the Company and its subsidiaries taken as a whole (a "**Valid Business Reason**") then: (i) the Company will have the right to postpone the filing of a prospectus (or prospectus supplement, as applicable) until such Valid Business Reason no longer exists, provided that such postponement shall not extend for a period of more than 90 days after receipt of the request for such Demand Registration; or (ii) the Company may cause a prospectus (or prospectus supplement, as applicable) that has been filed pursuant to a Demand Registration request to be withdrawn, or a majority of the Independent Directors may postpone amending or supplementing any previously filed prospectus pursuant to a Demand Registration request until such Valid Business Reason no longer exists, provided that such withdrawal or postponement shall not extend for a period of more than 90 days. The Company may not exercise its rights pursuant to (i) or (ii) above more than once in any 12-month period, and the Company will give written notice of both its determination to defer filing, postpone the amendment of or withdraw a prospectus (or prospectus supplement, as applicable) and of the fact that the Valid Business Reason for such deferral, postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof.

Under certain circumstances, the Holder may revoke or withdraw a request for a Demand Registration, in whole or in part, and such Demand Registration and the request therefor may, subject to certain limitations, be deemed to be revoked or withdrawn and deemed not to have been given for purposes of determining whether such Holder has exercised its right to a Demand Registration permitted to such Holder. Further, the Company may not propose to qualify for distribution any authorized but unissued Common Shares in connection with a Demand Registration if the Holder, with the assistance of its underwriter or agent, if applicable, determines, acting reasonably, that qualifying such Common Shares for distribution exceeds the number of Common Shares that can be sold in an orderly manner in such offering within a price range acceptable to the Holder ("**Demand Registration Orderly Sale Number**"). The Company shall then include in such distribution: (i) first, the number of Registrable Securities requested to be included in the Demand Registration; and (ii) second, such Common Shares equal to (X) the Demand Registration Orderly Sale

Number less (Y) the number of Registrable Securities requested to be included in the Demand Registration, subject to certain conditions.

If at any time the Company proposes to, or reasonably contemplates that it will, file a preliminary prospectus with respect to the distribution of any Common Shares to the public, then the Company will, at that time, give prompt notice of the proposed distribution to each Holder, which notice will offer each Holder the opportunity to qualify for distribution such number of Registrable Securities as such holder may request. The Company will use commercially reasonable efforts to include in such prospectus such Registrable Securities as the Holders may request (a "**Piggy-Back Registration**"), unless the Company, with the assistance of its underwriter or agent, if applicable, determines, acting reasonably, that qualifying such Piggy-Back Registration exceeds the number of Common Shares that can be sold in an orderly manner in such offering within a price range acceptable to the Company ("**Piggy-Back Registration Orderly Sale Number**"). The Company shall then include in such distribution: (i) first, the number of Common Shares that is proposed to be qualified for distribution by such preliminary prospectus by the Company as specified in its notice to the Holder; and (ii) second, such Registrable Securities that are equal to (X) the Piggy-Back Registration Orderly Sale Number less (Y) the number of Common Shares that are proposed to be qualified for distribution by such preliminary prospectus by the Company as specified in its notice to the Holder, subject to certain conditions.

In the case of a prospectus filed in connection with a Demand Registration, the Holder will pay all applicable fees and expenses incidental to the Company's performance of, or compliance with, the terms of the Demand Registration customarily paid by issuers or sellers of securities. In the case of a Piggy-Back Registration or the Company's participation in a Demand Registration, such fees and expenses will be allocated between the Holder(s), as applicable, and the Company in an equitable manner having regard to the proportion of the number of Common Shares sold by each relative to the total number of Common Shares sold pursuant to the prospectus.

All underwriting discounts and fees and transfer taxes attributable to a sale of Registrable Securities, and any out-of-pocket expenses of the underwriters in connection with each prospectus filed in connection with a Demand Registration or Piggy-Back Registration, other than the fees and expenses described in the preceding paragraph, will be borne by the Holder(s), as applicable, and any other participating sellers (including the Company, if applicable) in proportion to the number of Registrable Securities sold by each relative to the total number of Common Shares sold pursuant to the prospectus.

The Investor Liquidity Agreement will continue in force until the earlier of the date on which: (i) there are no longer any outstanding Registrable Securities; (ii) the Holders, collectively, beneficially own, directly or indirectly, 10% or less of the issued and outstanding Common Shares; or (iii) the Investor Liquidity Agreement is terminated by written agreement of all parties to the Investor Liquidity Agreement. Tidewater Midstream or its assignees may assign its rights and obligations under the Investor Liquidity Agreement to a transferee of Registrable Securities, upon notice to all parties to the Investor Liquidity Agreement, other than in respect of transfers made pursuant to a public prospectus offering.

The full text of the Investor Liquidity Agreement is available on SEDAR at www.sedar.com under the Company's profile.

INDUSTRY

Overview of Renewable Energy Industry

Renewable energy is energy derived from natural resources that are replenished at a low environmental cost. There are various forms of renewable energy including solar, wind, geothermal, hydropower, solid biomass, biogas and liquid biofuels. Renewable energy has gained considerable support in recent years in an attempt to stabilize global temperatures.

In an attempt to address GHG emissions from high carbon intensity energy sources, interest and funding for renewables beyond conventional power alternatives is gaining momentum. Some of these sources include:

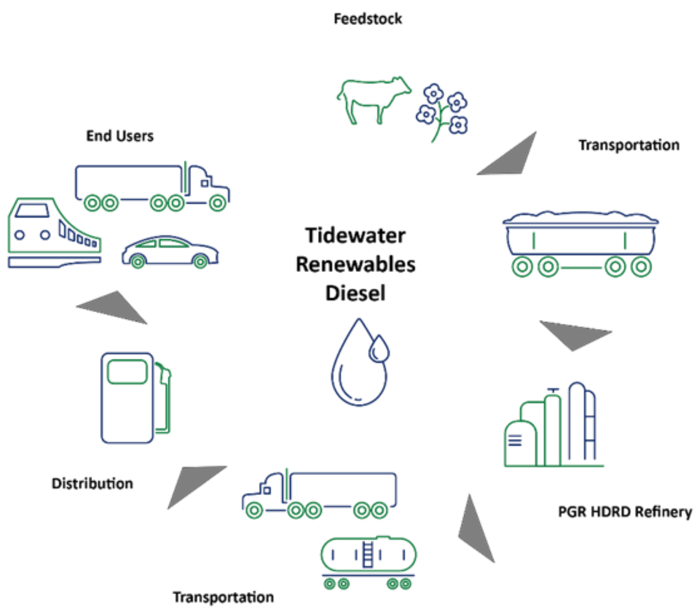
- **Renewable Fuels** — Renewable Diesel, Renewable Natural Gas, renewable naptha, and other types of organic fuel sources are being used to displace fossil fuels and reduce GHG emissions. Recently announced clean fuels standards in North America and Europe reinforce the movement by governments to support low CI fuels as an important step towards a low carbon economy.

- **Hydrogen** — The use of hydrogen is expected to reduce GHG emissions in the coming decades. Due to its high efficiency and near zero emissions, Renewable Hydrogen has the potential to reduce GHG in many industry verticals. Several Canadian provinces, such as Alberta and BC, as well as the government of Canada, have released hydrogen strategies.

- **Carbon Capture** — Carbon capture can provide a means of removing CO_2 from the atmosphere to offset emission or generate negative emissions from sectors, where reaching net zero may not be economically or technically feasible.

Overview of Renewable Diesel

Renewable Diesel is a low GHG transportation fuel which is suitable for use in diesel engines. It is produced from biomass sources including 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 (a process understood and 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 can play a critical role in reducing GHG emissions by displacing conventional diesel.



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.

Renewable Diesel is often confused with biodiesel given similar feedstock but is actually a distinct product. Renewable Diesel holds a number of competitive advantages over conventional biodiesel:

- **No Blend Wall** — Renewable Diesel can be put directly into engines while biodiesel is subject to a maximum blending limit of 20%.

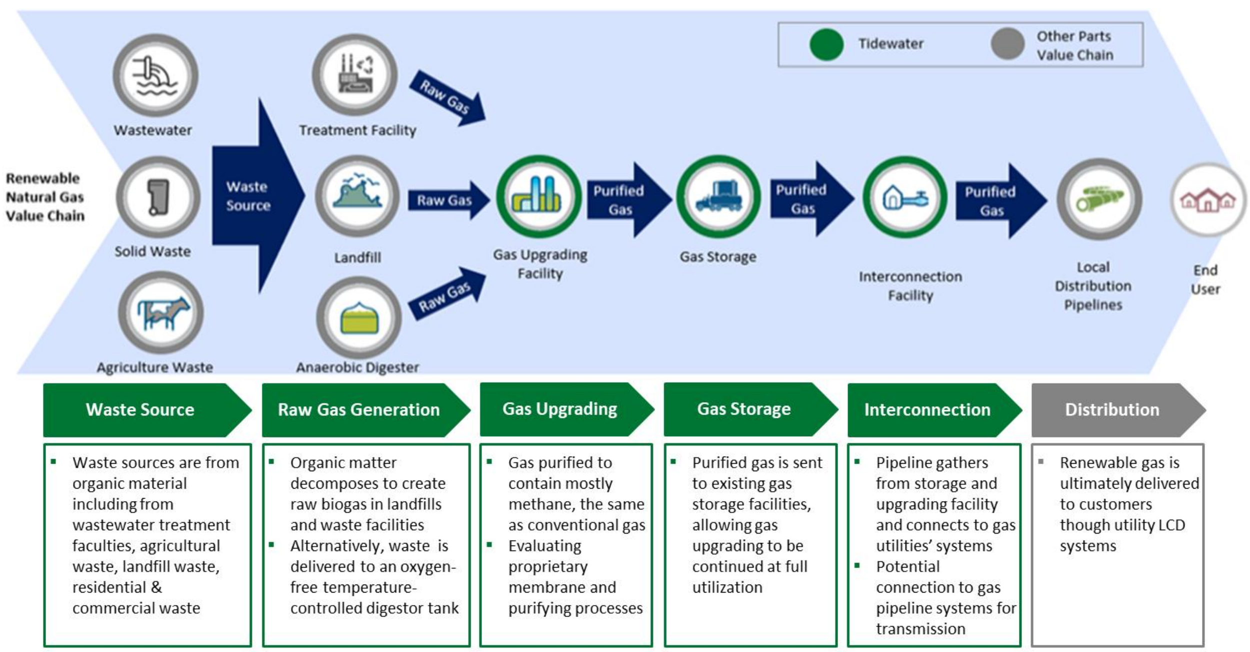
- **Cold Weather Reliability** — Oxygen in biodiesel makes it prone to separation and unsuitability in colder temperatures commonly found in Canada.

Management believes that the ability to fully substitute Renewable Diesel for regular diesel (given Management believes there is no technical maximum blend wall for Renewable Diesel as compared to other substitute renewable fuels) creates a significant market for Renewable Diesel. Renewable Diesel is the primary product to be initially produced by Tidewater Renewables. Management also believes that the demand for diesel in central and northern BC (where Tidewater Renewables' Renewable Diesel production is located) is in excess of current locally-produced supply and has, as a result, caused this area to have the highest diesel prices in North America. Accordingly, Management expects that there will be significant demand for the Renewable Diesel produced by Tidewater Renewables both locally and more broadly. 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 (depending on type of feedstock, CI methodology and production process). Management also believes that the outlook for demand and pricing for Renewable Diesel is favourable because it expects: (i) regulations related to carbon production (and the associated penalties/incentives) to continue to increase; and (ii) increasing voluntary carbon reduction initiatives to continue.

Overview of Renewable Natural Gas

Renewable natural gas (RNG), or biomethane, is a low or negative CI natural gas that is used as a direct substitute for conventional natural gas. RNG 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, RNG is nearly identical to conventional natural gas and can be blended seamlessly in existing natural gas pipelines, where it gets used for power generation, residential or industrial applications, bio-plastic feedstock or as 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.

RNG reduces GHG by offsetting fossil fuel natural gas demand and reducing methane emissions from decomposition of feedstock. 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.



Common Biogas and RNG Feedstock include: (A) *Crop Residues* — crops like rice, wheat, sugar beet, sugar cane, soybeans and maize; (B) *Animal Manure* — From common livestock including cattle, swine, sheep, and poultry; (C)

Solid & Industrial Waste — Waste in the form of paper, cardboard, scrap wood, and waste food from food processing; and (D) *Wastewater* — Recovered from sewage gas at wastewater treatment plants.

Overview of Hydrogen

At the forefront of the renewable energy transition is clean hydrogen produced from zero or low emission sources.

There are three types of Hydrogen: (A) *Grey, Black, and Brown Hydrogen* — primarily produced from natural gas, coal or other fossil fuels as an input. To produce grey, black, or brown hydrogen, a method called steam methane reforming (SMR) is used. This process uses oxygen from high-temperature steam to separate methane and produce hydrogen; (B) *Blue Hydrogen* — the process of producing blue hydrogen is the same as grey, black, and brown hydrogen, however, blue hydrogen utilizes CCS to reduce GHG emissions by up to approximately 90%; and (C) *Green Hydrogen* — green hydrogen is produced from water using electrolysis, where an electric current is used to break down water molecules into hydrogen and oxygen molecules. To qualify as green hydrogen, the electricity used in the process must be from a renewable or nuclear source.

Multiple incentives and market catalysts exist for greater hydrogen adoption in Canada and the United States. Currently, direct incentives for hydrogen related development are predominately related to grants from the governments of the United States and Canada. Several Canadian provinces, including Alberta, BC, Ontario, and Quebec have released hydrogen strategies. Moreover, the Canadian federal government has provided funding for hydrogen predominately through Sustainable Development Technology Canada and more recently released its National Hydrogen Strategy in December 2020. Market opportunities for hydrogen in North America include hydrogen blending into gas-fired power generation, the addition of hydrogen directly into existing gas distribution systems, and fuel for heavy duty transportation.

Overview of Carbon Capture, Utilization, and Storage

Carbon capture, utilization, and storage will be a main contributor to net-zero carbon emissions as it plays a role in hydrogen, sustainable biofuels, and electrification. See "*Regulatory Framework — Canadian Clean Fuel Regulation (CFR)*".

CCUS

CCUS is a suite of technologies that revolves around the capture of CO_2 from power generation or industrial facilities that are fueled by fossil fuels or biomass. Alternatively, CO_2 can be captured directly from the atmosphere to offset the impact of emissions from the source. The captured CO_2 can either be used on site or compressed and transported by pipeline, ship, rail, or truck to be used in different applications enhanced oil recovery or feedstock for synthetic fuels, chemicals, or building materials or injected into subsurface geological formations which trap/store the CO_2.

CCUS Uses and Demand Drivers

Currently, approximately 230 million metric tonnes of CO_2 is used globally per year. The primary and largest use of CO_2 is in the production of fertilizers and enhanced oil recovery in the oil and gas industry. CO_2 is also used on a smaller scale in food and beverage production, water treatment, and greenhouses. As use cases for CO_2 continue to advance, new opportunities for CCUS technologies arise. New uses for CO_2 include utilizing CO_2 to convert hydrogen to synthetic hydrocarbon fuels, to produce alternative fossil fuels and chemicals, and to produce building materials such as concrete or other raw materials.

REGULATORY FRAMERWORK

See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Regulatory Risks, Including Changes to National and Local Legislation*".

Governmental Regulation

The assets and projects of Tidewater Renewables are subject to federal, provincial and local air quality, solid waste, and water quality regulations and permitting requirements. Specific permits the Company must, in the normal course of business, obtain when developing its projects include: construction permits, operating permits, air permits, zoning permits, non-hazardous waste management permits, pollutant discharge elimination permits, and beneficial use permits. The Company's assets and projects must also maintain compliance with relevant federal, provincial, and local environmental, health and safety requirements. Regulatory and legislative factors also influence the price of Renewable Diesel, Renewable Hydrogen and RNG and depend on the jurisdiction where the end product is sold. For greater clarity, Tidewater Renewables' assets and projects are in Canada (except for, potentially, its rail cars from time to time) and therefore subject to the Canadian regulatory and Clean Energy Regulatory Incentives.

Canadian Clean Fuel Regulation (CFR)

The CFR was established under the *Canadian Environmental Protection Act, 1999* on June 20, 2022. Certain components of the CFR are currently in force (including registration requirements, applications for approval of CI for fuels and applications for the recognition of emission reduction projects and compliance credit creation) and certain components of which will come into force in the future (most significantly, the obligation to achieve prescribed CI reduction requirements does not come into force until July 1, 2023). Certain renewable projects are able to accrue CFR Credits prior to the effective date.

The CFR is an important part of Canada's approach to growing a cleaner and more competitive economy and one of the main regulations providing potential future incentives for the Company's business. The CFR will replace the former *Renewables Fuels Regulation* and aims to discourage the use of fossil fuels by increasing the price of those fuels when compared to lower-carbon alternatives. The CFR requires fossil fuel suppliers to make the fuels that they supply cleaner and less polluting overall. In so doing, they will contribute to the reduction of GHG emissions, mostly from the transportation sector, which accounted for 25% of Canada's total GHG emissions in 2018. The CFR builds on current federal and provincial renewable fuel regulations by expanding its mandate to focus on emissions throughout the lifecycle of fuels. The Government of Canada is following similar regulatory approaches that already exist in BC, California, Oregon, Washington, and other jurisdictions.

The CFR 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 CFR will continue to have credit creation opportunities for low carbon gaseous fuels like hydrogen and Renewable Natural Gas. To drive the production and consumption of clean fuels, the CFR intends to 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.

The CFR will establish a CFR Credit market, where each credit would represent a lifecycle emission reduction of one tonne of carbon dioxide equivalent. 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. CFR Credits are expected to be created by various low carbon fuel types, including but not limited to Renewable Diesel, Renewable Natural Gas and Hydrogen.

Renewable Diesel will generate CFR Credits under the proposed CFR framework as a low carbon liquid fuel. 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. CFR Credit quantification methodology for low carbon liquid fuels increasingly awards credits for further reductions to the CI of fuels, beyond the 90% reduction benchmark criteria.

Tidewater Renewables can choose to capture the value of the CFR Credits by selling the forecasted Renewable Diesel production, forecasted Renewable Natural Gas production and forecasted Renewable Hydrogen production to a consumer with the CFR Credits embedded in the purchase price or through monetizing the credits separately in the open market.

In summary, the Renewable Diesel Business Unit, Renewable Hydrogen Business Unit and RNG Business Unit and associated volumes of renewable product sold in Canada are subject to the CFR and would generate credits thereunder.

Earning CFR Credits

CFR Credits, which may be transferred upon receipt, may be earned by a registered creator by either (i) involvement in a CO_2 equivalent emission reduction project, (ii) production of a low carbon intensity fuel, or (iii) providing a low carbon energy source for vehicles.

Monetization of CFR Credits

Tidewater Renewables can choose to capture the value of the CFR Credits by selling the forecasted renewable diesel production to a fuel producer with the CFR Credits embedded in the purchase price or through monetizing the CFR Credits separately in the open market. To monetize the CFR Credits in the open market, Tidewater Renewables would first ensure it has certified such credits with Environment and Climate Change Canada (a routine procedure), after which such certified credits may then be offered for sale by Tidewater Renewables through a privately run auction whereby Tidewater Renewables would offer such credits and solicit cash offers therefor. Once the auction is completed, the successful bidder would be transferred such CFR Credits and Tidewater Renewables would receive the cash payment for such credits.

See "*General Development of the Business — Three Year History — 2022*" regarding the details of the First CFR Credit Sale Agreement and the Second CFR Credit Sale Agreement.

To date the Company has not received any CFR Credits.

British Columbia Low Carbon Fuel Standard (BC LCFS)

In January 2010, the Government of BC instituted the BC LCFS program. The BC LCFS requires reductions in the lifecycle CI of transportation fuels supplied in BC, outlining that 5% of gasoline and 4% of diesel volumes must contain renewable fuel and annual BC LCFS compliance standard are met. Initially, fuel suppliers were required to progressively decrease the average CI of their fuels to achieve a 9% reduction in 2020 from a 2010 CI baseline. In December 2018, BC's Ministry of Energy, Mines and Petroleum Resources released their CleanBC Plan, announcing an increase of the CI target to 20% by 2030 relative to 2010 CI levels. In July 2020, these amendments to the BC LCFS came into effect. To date, BC is the only province with a low carbon fuel standard in Canada.

Complementing its CleanBC Plan, on March 26, 2021, the Government of BC announced a number of sector-specific emissions reduction targets, established with reference to 2007 emissions levels, that it aims to achieve by 2030, including reduction targets of 27–32% for the transportation sector, 38–43% for industry and 33–38% for oil and gas.

Fuel suppliers can comply with the BC LCFS by reducing the overall CI of the fuels they supply, blending renewable fuels into their existing fuel stream, acquiring credits from other fuel suppliers, or by entering into an agreement with the province that provides Part 3 credits for the construction of clean fuels projects.

Under section 6 of the BC LCFS, Part 3 Fuel Suppliers generate credits by supplying a fuel with a CI below the prescribed CI limit, and incur debits when supplying a fuel with a CI above the limit (e.g. petroleum-based gasoline and diesel). In addition, Part 3 Fuel Suppliers may also enter into Part 3 Agreements with the Director under the BC LCFS to take 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.

The number of BC LCFS Credits received for the use of a certain pathway is calculated by taking the difference between the pathway's CI score and BC annual CI compliance standard / benchmark for gasoline or diesel (depending on the end use of the fuel). Revenue from the BC LCFS program is based on the number of credits received for the use of a certain pathway as a low-carbon transportation fuel and the then-current BC LCFS trading price.

Earning BC LCFS Credits

BC LCFS Credits, which credits may be transferred upon validation, may be earned by a BC Part 3 Fuel Supplier 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 (e.g. the construction of the Renewable Diesel & Renewable Hydrogen Complex). See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Capital Project — Renewable Diesel Project*" for details regarding the anticipated BC LCFS Credits anticipated regarding the Renewable Diesel Project.

Monetization of BC LCFS Credits

Tidewater Renewables can choose to capture the value of the BC LCFS Credits by selling the forecasted renewable diesel production to a fuel producer with the BC LCFS Credits embedded in the purchase price or through monetizing the credits separately in the open market. To monetize the credits in the open market, Tidewater Renewables would first ensure it has certified such BC LCFS Credits with the Government of BC (a routine procedure), after which such certified credits may then be offered for sale by Tidewater Renewables through a privately run auction whereby Tidewater Renewables would offer such credits and solicit cash offers therefor. Once the auction is completed the successful bidder would be transferred such credits and Tidewater Renewables would receive the cash payment for such credits. Such auctions are currently also run by other third parties in BC today. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Price of BC LCFS Credits*".

See "*General Development of the Business — Three Year History*" for details regarding the First BC LCFS Credit Sale Agreement, the Second BC LCFS Credit Sale Agreement and the BC LCFS Credits that have been received and monetized by the Company.

Carbon Capture Utilization and Storage (CCUS)

The Government of Canada is in the midst of developing a CCUS strategy. CCUS is a technology that captures carbon dioxide from facilities, including industrial or power applications, or directly from the atmosphere. The captured carbon dioxide is then compressed and transported for permanent storage in underground geological formations or used to make new products such as concrete. See "*Industry — Overview of Carbon Capture, Utilization, and Storage*".

Beginning in 2022, the federal government plans to spend $319 million over seven years to ramp up CCUS in Canada, as this will be a critical element of the plan to reach net-zero by 2050.

BORROWINGS

Credit Facility

Tidewater Renewables is currently party to a covenant-based, secured, credit facility with a syndicate Canadian banks in the amount of $150 million (the "**Credit Facility**"). The Credit Facility consisted of a syndicated component, the syndicated facility, and an operating component, the operating facility. The operating facility is a revolving operating facility with a maximum available draw of $35 million. The syndicated facility is a revolving facility with a maximum available draw of $115 million.

Depending on the type of borrowing, the Credit Facility bears interest based on the agent's or applicable lender's rates for Canadian prime rate loans, letters of credit and bankers' acceptances and the LIBOR rate, plus a margin or stamping fee, as applicable. The Credit Facility is subject to a number of customary covenants and restrictions. the Credit Facility has been made available for general corporate purposes including financing ongoing working capital requirements, providing financing for construction capital and other growth opportunities. As part of the covenants, the Company must maintain contracts with investment grade entities representing no less than 80% of EBITDA having a term of no less than three years, provided that for purposes of this covenant, Tidewater Midstream shall be deemed to be investment grade. The Credit Facility matures on August 18, 2024.

The Credit Facility is not cross-collateralized with Tidewater Midstream's secured credit facility (the "**Tidewater Midstream Credit Facilities**"). Pursuant to an intercreditor agreement between, among others, the Company, the lenders (or agent thereof) and the lenders under the Tidewater Midstream Credit Facilities (or agent thereof), the Company acknowledges and agrees that the lenders and the lenders under the Tidewater Midstream Credit Facilities may treat the Company and Tidewater Midstream as affiliated and consolidated entities in considering their total exposure, risk rating and capital allocation to the Company under the Credit Facility and Tidewater Midstream Credit Facilities, respectively, or for any other purpose, and may have regard to such considerations with respect to any extension, consent or waiver request or in taking any other discretionary action in respect of the Credit Facility or the Tidewater Midstream Credit Facilities, respectively. Notwithstanding the foregoing, the Senior Credit Facility and the Tidewater Midstream Credit Facilities will not be subject to cross defaults nor will the Company and Tidewater Midstream be consolidated for the purposes of covenant testing or availability.

On September 22, 2022, the Credit Facility was amended to increase certain financial covenants. The amended financial covenants are calculated on a trailing-quarterly basis and include, upon the closing of the AIMCo Facility, consolidated debt to adjusted EBITDA of less than or equal to 4.5:1; first lien senior debt to adjusted EBITDA of less than or equal to 3.5:1; and an adjusted EBITDA to interest coverage ratio greater than or equal to 2.5:1.

AIMCo Facility

On October 24, 2022, Tidewater Renewables announced the closing of a $150 million five-year senior secured second lien credit facility (the "**AIMCo Facility**") with an affiliate of Alberta Investment Management Company ("**AIMCo**"), on behalf of certain of its clients. The AIMCo Facility's term is five years, maturing on October 24, 2027, and at closing was drawn down by way of a single advance with net proceeds reflecting a 5% original issue discount. The AIMCo Facility will bear initial interest of 6.50% per annum (the "**Base Interest Rate**"), payable semi-annually. The Base Interest Rate will increase by 37.5 basis points in year four and five and is subject to certain inflation escalators. In particular, the AIMCo Facility's interest rate fluctuates directly with the rate of inflation as the interest rate payable thereunder is based on the Canadian Consumer Price Index ("**CPI**") rate plus an applicable margin. The Canadian CPI inflation rate adjustment used for the AIMCo Facility has a floor of 0% and a cap of 4% per annum.

As part of the AIMCo Facility, Tidewater Renewables Renewables issued 3.375 million warrants to AIMCo (the "**AIMCo Warrants**"). Each AIMCo Warrant entitles AIMCo to purchase one Common Share at a price per share of $14.84, for a term of five years. The exercise price reflects a 50% premium to the 10-day volume weighted average trading price of the Common Shares prior to closing of the AIMCo Facility. The AIMCo Warrants have a cashless exercise feature, which, if elected, can limit future dilution as in such circumstances only Common Shares for the in-the-money value of the AIMCo Warrants are issued. Proceeds of the AIMCo Facility were used by Tidewater Renewables to repay 100% of the outstanding drawn credit under the Company's senior credit facility, repay 100% of the outstanding drawn credit on an RNG credit facility established by a wholly-owned subsidiary of the Company as well as enable the cancelation of the such facility, for working capital, general corporate purposes, and for growth projects. The AIMCo Warrants also have two unique features: (1) If the consumer price index is greater than 4% per annum prior to a repayment of all or part of the AIMCo Facility, then the exercise price of the AIMCo Warrants will be reduced by $2.00 per share go forward for that number of AIMCo Warrants proportional to the amount of principal repaid; and (2) AIMCo has the option to elect to be paid in cash (versus Common Shares) in connection with a cashless exercise, with the amount of cash payable per Common Share otherwise issuable to be equal to the weighted average price per Common Share for the 20 consecutive trading days ending before the applicable exercise date. If the Company is contractually restricted from making, or otherwise unable to make, some or all of such cash payment, then the Company will issue AIMCo the Common Shares to which it is entitled and will assist AIMCo in the sale of such Common Shares issued, with such sales to take place within 10 business days, and the Company will be obligated to pay AIMCo certain market slippage costs (i.e. the difference between the trading price at the commencement of such sale process (the "**Market Price**") and the sale price actually received by AIMCo) of up to 15% of the Market Price (with unsold Common Shares being deemed to have such maximum slippage) plus broker fees and related costs in respect of Common Shares sold. If the Company is not permitted to make some or all of such cash payments in connection with such sale process, then the Company is obligated to issue AIMCo Common Shares on a private placement basis having a value equal to such unpaid amounts and applying the maximum pricing discounts permitted by the TSX.

At the time the AIMCo Facility was entered into, the financial covenants under the AIMCo Facility were the same as the Credit Facility, namely: (i) as at the end of each fiscal quarter, the EBITDA to interest coverage ratio will not be less than 2.50:1; (ii) as at the end of each fiscal quarter, the consolidated debt to EBITDA ratio will not be greater than 4.50:1; and (iii) as at the end of each fiscal quarter, the consolidated first lien senior debt to EBITDA ratio will not be greater than 3.50:1.

CODE OF BUSINESS CONDUCT

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") which applies to all directors, officers, employees and certain contractors of Tidewater Renewables. The Code is available free of charge from Tidewater Midstream's office located at Suite 900, 222 – 3rd Avenue S.W., Calgary, Alberta, T2P 0B4.

In support of the Code, Tidewater Renewables has adopted business conduct policies covering various matters, including but not limited to ethics, disclosure, insider trading and conflicts of interest, and has adopted a number of specific procedures and guidelines to facilitate compliance with the Code and the various policies (collectively the "**Conduct Policies**"). Tidewater Renewables' Insider Trading and Reporting Policy is an example of such a policy.

This policy prescribes blackout periods and outlines the circumstances in which Tidewater Renewables' directors, officers, employees and consultants will be restricted or prohibited from trading in securities of Tidewater Renewables. Another example is Tidewater Renewables' Disclosure and Confidentiality Policy, which is designed to facilitate broad, timely and informative dissemination of material information and to prevent selective disclosure, all in accordance with applicable securities rules and regulations. Additionally, the Board has adopted "Whistleblowing Procedures" which provides directors, employees and consultants of the Company with a mechanism by which they may raise concerns including (but not limited to) falsification of financial records, unethical conduct, harassment and theft through a confidential, anonymous process. The Conduct Policies are periodically reviewed and updated as necessary.

New directors, officers, employees and certain contractors are required to receive an orientation regarding the Conduct Policies when they commence their engagement with Tidewater Renewables.

CAPITAL STRUCTURE OF TIDEWATER RENEWABLES

The rights, privileges and restrictions on the Common Shares and the preferred shares in the capital of the Company ("**Preferred Shares**") are contained in the articles of Tidewater Renewables, which are available on SEDAR at www.sedar.com under the Company's profile and on the Company's website at www. tidewater-renewables.com.

Authorized Shares

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series, without nominal or par value, of which, as at the date hereof, 34, 720,528 Common Shares are issued and outstanding as fully paid and non-assessable 34,719,426 Common Shares as at December 31, 2022). As of the date hereof there are no outstanding Preferred Shares.

Common Shares

The holders of Common Shares shall be entitled, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, to dividends if, as and when declared by the Board, to one vote per share at meetings of the holders of Common Shares and, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares. All of the Common Shares to be issued and outstanding upon completion of the Offering will be issued as fully paid and non-assessable.

Preferred Shares

The Preferred Shares may be issued in one or more series, and the Board is authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Company.

Constraints

There are currently no constraints imposed on the ownership of securities of the Company to ensure that the Company has a required level of Canadian ownership.

Ratings

The Company has not asked for, nor has it received, a stability rating, or to the knowledge of the Company, has received any other kind of rating, including, a provisional rating, from one or more approved rating organizations for securities of the Company that are outstanding, and which continue in effect.

DIVIDENDS

The Company does not currently anticipate paying any cash dividends on its securities, including the Common Shares, in the near future. It may pay cash dividends in the future if and when operational circumstances permit. The actual amount of cash distributed to Shareholders, if any, will depend on numerous factors including: (i) the earnings of the

Company; (ii) financial requirements for the Company's operations; (iii) the satisfaction by the Company of liquidity and solvency tests in the ABCA (as defined herein); and (iv) any agreements relating to the Company's indebtedness that restrict the declaration and payment of dividends. The payment of dividends is not guaranteed and the amount and timing of any dividends payable is at the discretion of the Board. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Dividends*".

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol "LCFS". The following table sets out the price range (monthly high and low sales prices) of the Common Shares and consolidated volumes traded for the periods indicated (as reported by the TSX).

Period	High ($)	Low ($)	Volume
2022			
January	15.34	12.62	206,581
February	14.95	12.52	182,086
March	13.35	10.93	316,060
April	13.90	11.59	281,222
May	14.27	12.00	135,824
June	14.26	10.54	222,878
July	12.68	10.01	121,528
August	14.17	10.81	196,503
September	11.49	9.30	248,296
October	11.65	9.16	176,882
November	13.26	9.15	143,161
December	13.00	10.54	81,742

Prior Sales

The following table summarizes the issuances of unlisted securities for the year ended December 31, 2022:

Description of Security	Date Issued	Number / Aggregate Value of Securities Issued	Issuance/Exercise Price Per Security
Restricted Share Units	April 6, 2022	67,700(1)	N/A
Deferred Share Units	April 6, 2022	15,000(2)	N/A
Options	April 6, 2022	106,200(3)	$11.69
Performance Share Units	April 6, 2022	$296,000(4)	N/A
Restricted Share Units	August 12, 2022	449,667(1)	N/A
Options	August 12, 2022	164,500(3)	$11.52
Performance Share Units	August 12, 2022	$765,000(4)	N/A
Deferred Share Units	August 12, 2022	15,000(2)	N/A
Restricted Share Units	November 30, 2022	7,893(1)	N/A
Restricted Share Units	December 12, 2022	200,000(1)	N/A
Options	December 12, 2022	400,000(3)	$12.99
AIMCo Warrants	October 24, 2022	3,375,000(5)	$14.84

Notes:

(1) Refers to a Restricted Share Unit of the Company granted pursuant to the Restricted Share Unit plan of the Company.
(2) Refers to a Deferred Share Unit of the Company granted pursuant to the Deferred Share Unit plan of the Company.
(3) "**Option**" means a stock option to acquire a Common Share granted pursuant to the stock option plan of the Company.
(4) Refers to a Performance Share Unit of the Company granted pursuant to the Performance Share Unit plan of the Company. The Performance Share Units are a cash value equivalent which are used to purchase Common Shares in the open market.
(5) See "*General Development of the Business — Three Year History — 2022*".

DIRECTORS AND EXECUTIVE OFFICERS

Directors of Tidewater Renewables

The name, municipality of residence, principal occupation during the five preceding years, period of service as a director and committee membership for each of the directors of Tidewater Renewables are set out below:

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
Robert Colcleugh Calgary, Alberta, Canada Mr. Colcleugh has been a director (Chairman) and Interim Chief Executive Officer at Tidewater Renewables since November 28, 2022. Mr. Colcleugh has been a director of Tidewater Midstream since May 25, 2017, and was appointed Interim Chief Executive Officer on November 28, 2022. Mr. Colcleugh has been the Chairman of the Board of Beyond Energy Services & Technology Corp. ("**Beyond**"), a managed pressure drilling service company since Aug 2017. Prior thereto, Mr. Colcleugh was the Chief Executive Officer of Beyond from January 2017 until August 2017. Mr. Colcleugh was the Chief Executive Officer and Director of Iron Bridge Resources Inc., a TSX listed oil and gas producer, from July 2017 until its sale in October 2018. From 2009 until January 2017, he was Managing Director of Investment Banking for Macquarie Capital Markets Canada Ltd. (a division of Macquarie Bank). Prior thereto, he was one of the founders of Tristone Capital Inc., a global energy investment banking boutique that was purchased by Macquarie in 2009.	Mr. Colcleugh is: • Chairman • Not a member of any committee of the Board
Brett M. Gellner (Lead Independent Director) Calgary, Alberta, Canada Mr. Gellner has been a director of the Company since July 12, 2021. Mr. Gellner is the former Chief Development Officer of TransAlta Corporation and is a member of the board of directors of TransAlta Renewables Inc. (since July 2013). In his role as Chief Development Officer of TransAlta Corporation, he was responsible for strategic corporate investments, mergers and acquisitions as well as greenfield projects from August 2019 to April 2021. He was also Chief Strategy and Investment Officer for TransAlta Corporation from November 2018 to August 2019 and interim Chief Financial Officer for TransAlta Corporation from April 2018 to November 2018. Previously, he was President and Designated Chief Executive Officer of TransAlta Renewables Inc. from July 2013 to November 2017. He was Chief Investment Officer of TransAlta Corporation from March 2014 to May 2018 and Chief Financial Officer of TransAlta Corporation from July 2010 to March 2014. Prior thereto, he was Vice-President, Commercial Operations and Mergers & Acquisitions at TransAlta Corporation. Prior to joining TransAlta Corporation, Mr. Gellner spent 12 years in investment banking covering the power, pipeline, midstream and forest products sectors. Mr. Gellner has a master's degree specializing in economics from the University of Alberta and holds a Chartered Financial Analyst designation. He has also completed the Advanced Management Program at Harvard University.	Mr. Gellner is: • Lead Independent Director • Member of the Audit Committee (Chair) • Member of the Governance, Compensation, Safety and Sustainability Committee

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
Margaret (Greta) Raymond Calgary, Alberta, Canada Ms. Raymond has been a director of the Company since July 12, 2021 and a director of Tidewater Midstream since May 25, 2017. Ms. Raymond is an experienced environment, health and safety and human resources professional with many years in the oil and gas industry. Between 2009 and 2020, Ms. Raymond was the President of her own consulting firm and, in this capacity, acted as a consultant and advised corporate boards of directors and executives on operational and environment, health and safety risk management and governance. Ms. Raymond was formerly Vice President Environment, Safety and Social Responsibility with Petro-Canada from 2006 to 2009. She was responsible globally at Petro-Canada for environment, health, employee assistance programs, safety, aboriginal affairs, security, stakeholder relations, emergency response and crisis management as well as corporate responsibility. Ms. Raymond holds her B.A. in Human Biology from Stanford University, (Palo Alto, CA) and her Masters of Public Health, Environmental Health, from the University of California (Berkeley, CA). She also holds her ICD.D designation from the Institute of Corporate Directors, Directors Education Program, University Calgary, Haskayne School of Business (2007).	Ms. Raymond is: • Member of the Audit Committee • Member of the Governance, Compensation, Safety and Sustainability Committee (Chair) • Nominee of Tidewater Midstream pursuant to the Governance Agreement.
John Adams Ottawa, Ontario, Canada Mr. Adams has been a director of the Company since July 12, 2021. Mr. Adams is President and Chief Executive Officer of NGIF Capital Corporation and Managing Partner of NGIF Cleantech Ventures, Canada's first venture capital firm and venture fund created by and for Canada's natural gas sector. He is involved in all aspects of the enterprise including the responsibility of its three divisions NGIF Industry Grants, the NGIF Emissions Testing Centre and NGIF Cleantech Ventures. He brings over 25 years' experience and is deeply rooted in the cleantech, financing and energy ecosystem of Canada. Prior to NGIF Capital Corporation, Mr. Adams was the Managing Director of the Natural Gas Innovation Fund at the Canadian Gas Association ("**CGA**"). There, he was responsible for bringing the fund from a concept into a fully operational cleantech innovation fund with a portfolio of startups supporting Canada's natural gas energy sector, including the production, transmission and end-use distribution of natural gas. In this role he raised capital from its industry investors for project investments, built strategic partnerships, and was accountable for the fund's investment process, governance, investment strategy, portfolio management, corporate performance and entrepreneurial support. Prior to the Natural Gas Innovation Fund at CGA, Mr. Adams was with Sustainable Development Technology Canada in 2011 and occupied a range of increasingly senior positions over a five-year span. He joined as Director, Applications/Funding Advisory in 2011, and then went to Director, Stakeholder relations in 2012, Vice President Industry in 2013, and Executive Director in 2016. While at Sustainable Development Technology Canada, John raised almost $40 million in partnership agreements with industry and federal/provincial government agencies, led a series of national funding competitions, and created a national Virtual Incubator. Prior to Sustainable Development Technology Canada, Mr. Adams was with Mitsui & Co. (Canada) Ltd. holding positions in infrastructure business and international trade. Mr. Adams graduated from University of Toronto in 1991 with a bachelor's degree in science, specializing in environmental science and is a graduate of the Berkley Venture Capital Executive Program. Mr. Adams currently sits on the board of directors of the $100 million Clean Resources Innovation Network (CRIN) and is a member of its Finance and Audit Committee; and is a member of the International Gas Union's Research, Development, and Innovation Committee.	Mr. Adams is: • Member of the Audit Committee • Member of the Governance, Compensation, Safety and Sustainability Committee

In accordance with the articles of Tidewater Renewables, directors are to be elected annually by the Shareholders. Between annual meetings, the Board has the authority to appoint one or more additional directors to serve until the next annual meeting provided that the number of directors so appointed does not exceed 1/3 of the number of directors holding office at the expiration of the last annual meeting. Tidewater Midstream also has certain board nomination rights pursuant to the Governance Agreement (see "*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*").

Officers of Tidewater Renewables

The name, municipality of residence, position held and principal occupations during the five preceding years for each of the officers of Tidewater Renewables are set out below:

Name and Municipality of Residence	Position with Tidewater Renewables	Principal Occupation
Robert Colcleugh Calgary, Alberta, Canada	Chairman and Interim Chief Executive Officer	Mr. Colcleugh has been a director (Chairman) and Interim Chief Executive Officer at Tidewater Renewables since November 28, 2022. Mr. Colcleugh has been a director of Tidewater Midstream since May 25, 2017 and was appointed Interim Chief Executive Officer on November 28, 2022. Mr. Colcleugh has been the Chairman of the Board of Beyond Energy Services & Technology Corp. ("**Beyond**"), a managed pressure drilling service company, since Aug 2017. Prior thereto, Mr. Colcleugh was the Chief Executive Officer of Beyond from January 2017 until August 2017. Mr. Colcleugh was the Chief Executive Officer and Director of Iron Bridge Resources Inc., a TSX listed oil and gas producer, from July 2017 until its sale in October 2018. From 2009 until January 2017, he was Managing Director of Investment Banking for Macquarie Capital Markets Canada Ltd. (a division of Macquarie Bank). Prior thereto, he was one of the founders of Tristone Capital Inc., a global energy investment banking boutique that was purchased by Macquarie in 2009.
Raymond Kwan Calgary, Alberta, Canada	Chief Financial Officer	Mr. Kwan has been the Chief Financial Officer of Tidewater Renewables since September 22, 2022. Previously, Mr. Kwan was a Managing Director at BMO Capital Markets, where he worked from October 2015 to July 2022 in roles with progressively increasing responsibility. Mr. Kwan obtained his Bachelor of Science in Chemical Engineering at the University in Alberta (2003), his Chartered Financial Analyst designation in 2012 and is a Professional Engineer (P.Eng.).
Krasen V. Chervenkov Calgary, Alberta, Canada	Executive Vice President, Business Development & Strategy	Mr. Chervenkov has been the Executive Vice President, Business Development & Strategy of Tidewater Renewables since May 11, 2021. Previously, Mr. Chervenkov was the Vice President, Mergers and Acquisitions for Tidewater Midstream, a role he held from March 2017 to May 11, 2021. Prior to Tidewater Midstream, Mr. Chervenkov was Vice President, Investment Banking at a Canadian-owned bank dealer, where he focused on domestic and cross-border transactions including mergers, acquisitions & divestitures, joint ventures, reorganizations, take-over defenses, high-yield, and debt & equity financings. Mr. Chervenkov has over 14 years of corporate/business development, strategy, capital markets, and corporate finance experience with a focus on midstream, renewables, downstream, power & utilities, oilfield services and upstream oil & gas. Mr. Chervenkov obtained his Bachelor of Commerce in Finance (Distinction) from the Haskayne School of Business at the University in Calgary (2009) and his Chartered Financial Analyst designation in 2013.

Name and Municipality of Residence	Position with Tidewater Renewables	Principal Occupation
Scott McLean Calgary, Alberta, Canada	Executive Vice President, Operations	Mr. McLean has been the Executive Vice-President, Operations of Tidewater Renewables since August 9, 2022. Previously, Mr. McLean was the Vice President, Health, Environment, Safety and Regulatory for Tidewater Midstream, a role he held since August 2016. Prior thereto, Mr. McLean has held a variety of technical and leadership roles within the energy sector. Mr. McLean brings over 25 years of operational, health, safety, environmental, sustainability and management experience to the Tidewater Renewables team.
Bryan Morin Calgary, Alberta, Canada	Chief Legal Officer and Corporate Secretary	Mr. Morin has been the Chief Legal Officer and Corporate Secretary of Tidewater Renewables since February 13, 2023. He was previously the Director, Legal and Corporate Secretary of the Company. Prior thereto, Mr. Morin was the Director, Legal and Assistant Corporate Secretary of Tidewater Midstream. Previously, Mr. Morin was Legal Counsel at TransAlta Corporation, where he worked from October 2016 to November 2020, predominantly with the Mergers and Acquisitions and Renewable Development teams. Prior thereto, he practiced at Burnet, Duckworth & Palmer LLP. Mr. Morin obtained his Bachelor of Arts in Political Science (Distinction) from the University of Calgary (2008) and his *Juris Doctor* from the University of Manitoba (2011)

Mr. Colcleugh is employed by Tidewater Midstream and the Company on a combined full-time basis and devotes all of his executive time to the business and affairs of the Company (50%) and Tidewater Midstream (50%).

Security Holding by Directors and Officers

As at the date hereof, the directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 12,736 Common Shares, representing approximately 0.04% of the issued and outstanding Common Shares. Certain of the directors of the Company are directors or executive officers of Tidewater Midstream, which owns 68.845% of the issued and outstanding Common Shares as at the date hereof. See "*Directors and Executive Officers — Conflicts of Interest*".

Cease Trade Orders

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) is, as of the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) or Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (i) is, as of the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and executive officers of the Company are engaged in, and may continue to be engaged in, other activities in the industries in which the Company operates from time to time. Messrs. Colcleugh and Chervenkov are directors and/or executive officers of Tidewater Midstream. Tidewater Midstream is a party to certain agreements as described under "*Agreements with Tidewater Midstream and Other Counterparties*" and "*Material Contracts*". Tidewater Midstream is not prohibited from competing with the Company and its affiliates.

The ABCA provides that in the event that an officer or director is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such officer or director shall disclose the nature and extent of his or her interest and shall refrain from voting to approve such contract or transaction, unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Insurance Coverage and Indemnification

The Company maintains liability insurance for its directors and officers with coverage and terms that are customary for a company of its size and industry. In addition, the Company has entered into indemnification agreements with its directors and officers. The indemnification agreements generally require that the Company indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Company as directors and officers, so long as the indemnitees acted honestly and in good faith with a view to the best interests of the Company and, with respect to criminal or administrative actions or proceedings that are enforced by monetary penalty, if the indemnitee had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Company.

AUDIT COMMITTEE INFORMATION

Audit Committee

The Audit Committee is comprised of Mr. Gellner, as Chair, and Ms. Raymond and Mr. Adams, all of whom are independent and financially literate within the meaning of that term under NI 52-110 — *Audit Committees*. The specific responsibilities of the Audit Committee are set out in the Audit Committee Mandate and Terms of Reference, a copy of which is attached to this AIF as Schedule "A". The Audit Committee's primary role is to: (i) review Management's identification of principal financial risks and monitor the process to manage such risks; (ii) oversee and monitor the Company's compliance with legal and regulatory requirements; (iii) oversee and monitor the integrity of the Company's accounting and financial reporting processes, financial statements and system of internal controls regarding accounting and financial reporting and accounting compliance; (iv) oversee audits of the Company's financial statements; (v) oversee and monitor the qualifications, independence and performance of the Company's external auditors; (vi) provide an avenue of communication among the external auditors, Management, the accountants and the Board; and (vii) report to the Board regularly.

The Company believes that each of the members of the Audit Committee possesses substantially all of the following: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, see "*Directors and Executive Officers — Directors of Tidewater Renewables*".

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as described in the Audit Committee Charter.

External Auditor Service Fees

The table below provides disclosure of the fees billed to the Company by its external auditors for each of the fiscal periods noted below, dividing the services into the categories of work performed:

Financial Year Ending	Audit Fees(1)	Audit Related Fees(1)	Tax Fees(1)	All Other Fees(1)
2022	$230,000	$71,000	$0	$84,000
May 11, 2021–December 31, 2021	$76,000	$181,000	$0	$61,000

Note:

(1) "**Audit Fees**" are the aggregate fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements billed by the Company's external auditor. "**Audit-Related Fees**" are the aggregate fees billed by the Company's external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as audit fees. During 2022, the nature of the services provided included review of security filings. "**Tax Fees**" are the aggregate fees billed by the Company's external auditor for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. "**All Other Fees**" are the aggregate fees billed by the Company's external auditor for products and services other than those described as "Audit Fees", "Audit Related Fees" and "Tax Fees". During 2022, the nature of the services comprising such fees was translation services.

RISK FACTORS

An investment in the Common Shares is highly speculative due to the high risk nature and stage of development of the Company's business.

Tidewater Renewables faces a number of risks in its normal course of business which can be categorized into two principal categories: (i) risks relating to the Company's business, industry and operating environment including financial, legal, regulatory and strategic risks; and (ii) risks relating to the Company's relationship with Tidewater Midstream. In some instances, a certain risk may be applicable to more than one category. The Company has classified such risks based on the primary category in terms of how they affect Tidewater Renewables. The most significant risks in each category are listed first, based on the Company's current assessment of each risk. To the extent the Company's business or operations are affected by these risks, there could be an adverse effect on the financial performance of Tidewater Renewables.

The Company continually works to identify and evaluate significant risks and to develop and maintain appropriate strategies to mitigate the impact of potential risks to its business. The Company's approach to risk management is integrated into its overall approach to decision making (both formal and informal) and also includes formal risk reviews with respect to certain matters. The summary provided below describes the main risks known to the Company and also identifies some of the steps that the Company takes to mitigate these identified risks.

All statements regarding the Company's business should be viewed in light of these risk factors. Investors should consider carefully whether an investment in the Common Shares is suitable for them in light of the information in this AIF and their personal circumstances. If any of the identified risks were to materialize, the Company's business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to the Company, or which the Company currently deems not to be material, may also have an adverse effect upon the Company and the Common Shares.

Readers should carefully consider all of the information set out in this AIF before making an investment decision. Readers are cautioned that this summary of risks may not be exhaustive, as there may be risks that are unknown and other risks that may pose unexpected consequences. Further, many of the risks are beyond the Company's control and, in spite of the Company's active management of its risk exposure, there is no guarantee that these risk management activities will successfully mitigate such exposure.

Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment

Health and Safety

The ownership and operation of Tidewater Renewables' business is subject to hazards of producing, gathering and processing hydrocarbon products, including, without limitation, blowouts, fires, explosions, gaseous leaks, releases and migration of harmful substances, hydrocarbon spills, corrosion, and acts of vandalism and terrorism. Any of these hazards can interrupt operations, impact Tidewater Renewables' reputation, cause loss of life or personal injury, result in loss of or damage to equipment, property, information technology systems, related data and control systems, and cause environmental damage that may include polluting water, land or air.

Furthermore, such ownership and operations carry the potential for liability related to worker health and safety, including, without limitation, the risk of any or all of government imposed orders to remedy unsafe conditions, potential penalties for contravention of health and safety laws, licenses, permits and other approvals, and potential civil liability. Compliance with health and safety laws and the requirements of licenses, permits and other approvals are expected to remain material to Tidewater Renewables' business.

No assurances can be given that the occurrence of any of the above listed events or the additional workers' health and safety issues relating thereto will not require unanticipated expenditures, or result in fines, penalties, or other consequences (including, without limitation, changes to operations) material to Tidewater Renewables' business and operations.

Operating Risk

Tidewater Renewables' businesses are subject to the risks normally associated with the production of renewable fuels, and other products and facilities, including, without limitation, mechanical failure, logistics problems, physical degradation, operator error, delay of or restrictions for projects due to climate change policies and initiatives, protests, activist activity, sabotage, terrorism, failure of supply, weather, wind or water resource deviation, catastrophic events and natural disasters, fires, floods, explosions, earthquakes, and other similar events. These types of events could result in injuries to personnel, damage to property and the environment, as well as unplanned outages or prolonged downtime for maintenance and repair. Among other things, these events typically increase operation and maintenance expenses and reduce revenues. The occurrence or continuation of any of these events could increase Tidewater Renewables' costs and reduce the ability of Tidewater Renewables and its counterparties to produce, process, store, transport, deliver, or distribute RNG, Renewable Diesel, hydrogen, and other products and result in significant losses for which insurance may not be sufficient or available. Environmental damage could also result in increased costs to operate and ensure Tidewater Renewables' assets and have a negative impact on Tidewater Renewables' reputation and its ability to work collaboratively with stakeholders.

As Tidewater Renewables continues to grow and diversify its energy transition focused renewable fuel and energy infrastructure businesses, the risk profile of Tidewater Renewables may change.

Lack of Operating History and Track Record

Tidewater Renewables was established upon closing of the Initial Public Offering and completion of the Acquisition and, as a result, has limited operating history and track record with respect to the ownership and operation of the Initial Assets before that time. Accordingly, there may not be a reliable basis for evaluating the Company's business prospects or the future value of the Common Shares. In addition, the Company's business strategy may not be successful, and, if unsuccessful, Tidewater Renewables may be unable to modify it in a timely and successful manner. The Company cannot give a prospective investor any assurance that it will be able to continue to implement its strategy on a timely basis, if at all. The Company may also be subject to both transition and growth-related risks, including capacity constraints and pressure on its internal systems and controls. Accordingly, an investment in the Common Shares is speculative and subject to a higher degree of risk.

The most significant exposure faced by the renewable's energy business is related to a lack of operating history. Many of the technologies, processes and companies engaged in renewable energy production, transportation and marketing are new to the business and industry. With renewable energy being an emerging industry there is risk associated with forecasting the Company's future performance. To mitigate this risk, Tidewater Renewables has:

- engaged Tidewater Midstream to operate the Initial Assets (Tidewater Midstream has extensive experience operating the Initial Assets);
- signed long-term take-or-pay contracts for the Initial Assets; and
- selected the Initial Assets for their optionality to produce or store both conventional and renewable fuels.

The Company's limited operating history and track record with respect to the Initial Assets also means that a number of policies and procedures that were not then in place, were developed and instituted to govern operations. Historically, the Initial Assets were operated as part of Tidewater Midstream. Employees of Tidewater Renewables had access to Tidewater Midstream's resources, including the systems, business contacts, financial resources and expertise of senior management. Other than for the limited purpose and limited time specified in the Shared Services Agreement, the Company does not have the same access to Tidewater Midstream's expertise and resources. There can be no assurance that the Company will have similar expertise or resources through internal sources or by contracting services with third parties. If such expertise or resources can be obtained on the same basis, there can be no assurance that it will be at the same or lesser cost, as provided historically by Tidewater Midstream. See "*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*".

Although the Company expects to benefit from the experience that Management has gained while working at Tidewater Midstream and through other ventures, the Company may be less successful in implementing its business strategy. As a result, the Company may experience fluctuations in its results, which may vary from those projected by Management. In addition, the forward-looking statements contained in this AIF are subject to uncertainties that are due, in part, to the Company's limited operating history. No assurance can be given that the Company will be successful in implementing its business strategy or that it will achieve expected future results which could materially adversely affect the Company's business and financial condition.

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic due to the sustained risk of worldwide spread of the virus. Governments and health authorities around the world implemented a wide variety of measures to combat the spread of the virus, including travel restrictions, business closures, social distancing, public gathering restrictions, stay-at-home orders and event cancellations. The impact of these measures led to a significant slow-down in global economic activity that subsequently reduced the demand for crude oil and natural gas. The significant reduction in demand contributed to the steep and rapid decline in global crude oil and natural gas prices seen in early 2020. Furthermore, the demand decline further challenged commodity prices already reeling from a market share and oil price war between certain crude oil producing nations.

In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. COVID-19 and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The Company has been closely monitoring developments related to COVID-19.

COVID-19 and other macro-economic conditions around the world contributed to a drastic decrease in global oil and liquids demand through 2020 resulting in significant commodity price volatility and economic uncertainty. Beginning in the fourth quarter of 2020, oil and natural gas industry fundamentals began to recover somewhat, supported by OPEC-moderated supply, the roll-out of COVID-19 vaccines globally, and economic stimulus actions.

The Company will continue to monitor the situation and may take actions that alter its operations as may be required by federal, provincial or local authorities or that the Company determines are in the best interests of its employees, customers, partners, suppliers, shareholders and stakeholders. Any such alterations or modifications could cause substantial interruption to the Company's operations, any of which could have a material adverse effect on the Company's operations or financial results. Any significant decrease in the demand for oil and natural gas may disrupt the Company's business plan and operational forecasts. Moreover, since the beginning of January 2020, the COVID-19 outbreak has caused significant disruption in the financial markets both globally and in Canada, which could limit the Company's ability to access capital and sources of liquidity at attractive rates or at all.

Due to the uncertainty surrounding the magnitude, duration and potential outcomes of COVID-19, the Company is unable to predict at this time the long-term impact of COVID-19 on its operations, liquidity, financial condition and results, but the impact may be material.

Price of BC LCFS Credits

The profitability of the Company's operations will be seriously affected by changes in prices of BC LCFS Credits. The price of BC LCFS Credits may be subject to volatility or, while unexpected, may decrease.

The Company intends to earn BC LCFS Credits by both (i) supplying a fuel with a CI below the prescribed CI limit and (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 (such as building the Renewable Diesel & Renewable Hydrogen Complex).

Upon earning such BC LCFS Credits, under the BC LCFS, other Part 3 Fuel Suppliers may purchase validated credits in order to achieve compliance with the low carbon fuel requirements.

BC LCFS Credits market prices are determined primarily by the supply and demand of BC LCFS Credits as well as any future expectations thereof. Such prices are affected by numerous factors beyond the Company's control, including number of pathways that can generate BC LCFS Credits, supply of renewable products entering BC, number of competing projects currently operational or planned to enter service that will supply the BC LCFS market with renewable products, the demand for BC LCFS Credits by other Part 3 Fuel Suppliers and the supply of BC LCFS Credits by other Part 3 Fuel Suppliers.

If BC LCFS Credit prices should decline and remain at low market levels for a sustained period, the Company could determine that it is not economically feasible to continue activities. Volatility or decrease in price may have a significant and negative impact on the value of the Company's assets, its financial condition and its ability to execute on its capital projects.

See "*General Development of the Business — Three Year History*" for details regarding the First BC LCFS Credit Sale Agreement, the Second BC LCFS Credit Sale Agreement and the BC LCFS Credits that have been received and monetized by the Company.

Development and Operation of Individual Renewable Energy Projects (Including Cost Overruns)

The Company's specific focus on the renewable energy sector exposes the Company to risks related to the supply and demand of commodities, the cost of capital expenditures, government regulation, world and regional events and economic conditions, and the acceptance of alternative energy sources. As a renewable energy producer, the Company may also be negatively affected by lower energy output resulting from the scarcity of inputs, mechanical breakdowns, faulty technology, competitive electricity markets or changes to the laws and regulations that mandate the use of renewable energy sources by refiners and importers of gasoline and diesel fuel and utilities.

In addition, a number of other factors related to the development and operation of individual renewable energy projects could adversely affect the Company's business, including:

- regulatory changes that affect the demand for or supply of Environmental Attributes and the prices thereof, which could have a significant effect on the financial performance of the Company's projects and the number of potential projects with attractive economics. The Company depends, in part, on Environmental Attributes, which are federal, provincial and state mandated incentives in Canada, provided in the form of BC LCFS Credits, CFR Credits, rebates, tax credits, grants and other incentives to end users, distributors, and manufacturers of renewable energy projects, that promote the use of renewable energy;

- regulatory changes that negatively affect the CI scoring methodology for Renewable Diesel, RNG, and Renewable Hydrogen which could result in significantly less supply revenue associated with Environmental Attributes;

- changes in energy commodity prices, such as natural gas, crude oil, refined products, and wholesale electricity prices, which could have a significant effect on the Company's revenues;

- changes in pipeline gas quality standards or other regulatory changes that may limit the Company's ability to transport RNG, hydrogen on pipelines for delivery to third parties or increase the costs of processing RNG and hydrogen to allow for such deliveries;

- substantial construction risks, including the risk of cost overruns and delays, including those that may arise as a result of material pricing, inclement weather, labor disruptions and/or extenuating events such as COVID-19;

- operating risks and the effect of disruptions on the Company's business, including the effects of the COVID-19 pandemic on us, the Company's customers, suppliers, distributors and subcontractors;

- entering into markets and/or jurisdictions where the Company has less experience;

- the need for substantially more capital to complete projects than initially budgeted and exposure to liabilities as a result of unforeseen environmental, construction, technological or other complications;

- failures or delays in obtaining desired or necessary permits, land rights, including ownership, leases or easements, including the necessary approval from the City of Prince George, BC for the rezoning of certain lands at PGR to "heavy industrial";

- a decrease in the feedstock availability, an increase in competition for feedstocks or feedstock pricing, and/or timeliness of delivery of feedstocks and components, necessary for the projects to function;

- obtaining and keeping in good standing permits, authorizations and consents from local city, county, province / state and federal governments;

- changes in law and corresponding regulatory discretion that may affect the Company's ability to operate or transact;

- failure to obtain all necessary rights to land access and use;

- delays in deliveries or increases in the prices of equipment;

- permitting and other regulatory issues, license revocation and changes in legal requirements;

- increases in the cost of labor, labor disputes and work stoppages;

- failure to receive quality and timely performance of third-party services;
- unforeseen engineering and environmental problems;
- cost overruns; and
- accidents involving personal injury or the loss of life.

Any of these factors could prevent the Company from completing or operating the Company's projects, or otherwise adversely affect the Company's business, financial condition and results of operations.

Ability to Achieve Investment Objectives

If there is not sufficient demand for renewable energy, or if renewable energy projects do not develop or take longer to develop than the Company anticipates, the Company may be unable to achieve the Company's investment objectives. In addition, demand for renewable energy projects in the markets and geographic regions that the Company targets may not develop or may develop more slowly than the Company anticipates. Many factors will influence the widespread adoption of renewable energy and demand for renewable energy projects, including:

- cost-effectiveness of renewable energy technologies as compared with conventional and competitive technologies;
- performance and reliability of renewable energy products as compared with conventional and non-renewable products;
- fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources;
- increases or decreases in the prices of oil, coal, natural gas, electricity;
- continued deregulation of the electric power industry and broader energy industry; and
- availability or effectiveness of government subsidies and incentives.

Risks Related to Run Rate EBITDA

Disclosure of annualized run rate EBITDA outlook is prepared using assumptions that reflect Management's intended course for the periods covered, based on the judgement of Management as to several factors, including, without limitation, estimates of volumes of feedstock and sales for the applicable period.

The Company's calculation of annualized run rate EBITDA, including for the Renewable Diesel & Renewable Hydrogen Complex is based on certain assumptions, some or all of which may not materialize and may differ from the assumptions underlying any forward-looking information relating to capital projects and assets that was prepared for other purposes. Unanticipated events may occur that could have a material adverse effect on the actual results achieved by the Company during the period to which these estimates relate.

There can be no assurance that the assumptions reflected in the annualized run rate EBITDA, including for the Renewable Diesel & Renewable Hydrogen Complex, will prove to be accurate. Actual results for the for the annualized period may vary from the amounts disclosed and those variations may be material.

Presentation of such run rate EBITDA excludes certain expense items, such as the impact of non-cash compensation, and such presentation is not intended to be a substitute for historical IFRS measures of operating performance or liquidity. Any run rate EBITDA outlook, including for the Renewable Diesel & Renewable Hydrogen Complex, is subject to material risks, uncertainties, and contingencies. See "*General Matters — Forward-looking Statements*".

Capital Required for Business Objectives and Milestones, Including Renewable Diesel & Renewable Hydrogen Complex

The Company will require other funds to complete its business objectives and milestones and if such funds are not available it may need to significantly curtail operations.

Specifically, the Renewable Diesel & Renewable Hydrogen Complex requires significant capital expenditures and there is no guarantee that either this project, or any of the Company's other projects, will be completed on time or on budget, which could have a negative effect on revenues and operations.

Tidewater Renewables expects to fund the capital costs for the Renewable Diesel & Renewable Hydrogen Complex using a combination of (i) undrawn amounts under the AIMCo Facility and the Credit Facility, (ii) cash flow generated by the sale of BC LCFS Credits which Tidewater Renewables expects to continue to earn upon satisfaction of certain construction milestones related to both the FCC Co-Processor and the Renewable Diesel & Renewable Hydrogen Complex (which BC LCFS Credits also continue to be earned upon operation of such projects and sales of renewable fuels pursuant thereto), (iii) cash flow generated by the Renewable Assets (and by the various capital projects as they come online, including the Renewable Diesel & Renewable Hydrogen Complex and the RNG Project), and (iv) other potential sources of financing as appropriate

See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Capital Project — Renewable Diesel Project*".

There is no guarantee that the Company will receive the number of BC LCFS Credits that it anticipates; or, if received, what the value of such BC LCFS Credits will be. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Price of BC LCFS Credits*".

There is no guarantee that the Company will obtain the funds necessary to complete this project, or any of its other capital projects, in a timely manner or on terms acceptable to the Company or that the project will be completed timely or within budget. If the Company is unable to obtain such funds in a timely manner or at all, if the price of BC LCFS Credits falls significantly, if the Company does not receive the number of BC LCFS Credits they anticipate, if the cost of such funds is higher than they anticipate, if there are cost overruns or construction delays, or if the Company is not able to obtain the governmental permits required or necessary to initiate or complete the project (including, with respect to the Renewable Diesel & Renewable Hydrogen Complex, the necessary approval from the City of Prince George, BC for the rezoning of certain lands at PGR to "heavy industrial"), there will be a material negative affect on the Company's revenues and operations.

Interest Rate Risk

Interest rate risk arises from the Company's use of floating interest rate bearing credit facilities. Both the senior credit facility and the AIMCo Facility bear interest at a variable rate. The AIMCo Facility's Base Interest Rate of 6.50% per annum is subject to certain inflation escalators. In particular, the AIMCo Facility's interest rate fluctuates with the rate of inflation as the interest rate payable thereunder is based on the CPI rate plus an applicable margin. The Canadian CPI inflation rate adjustment used for the AIMCo Facility has a floor of 0% and a cap of 4% per annum. The senior credit facility's interest rate fluctuates with the agent bank's prime lending rate and/ or the banker's acceptance rate depending on how the Company chooses to draw down on the facility.

Feedstock and Contracting Risk

The Company relies on obtaining contracts for the supply of feedstock materials such as animal fats, used cooking oil, distillers corn oil, soybean oil, canola oil, and animal manure.

The Company has executed and is engaged in commercial negotiations to source feedstocks for the production of Renewable Diesel, Renewable Natural Gas and co-processed products. It is anticipated that the majority of feedstock will be sourced from within Western Canada and opportunistically from other global sources. See "*Renewable Assets — Renewable Diesel Business Unit — Renewable Diesel Assets — HDRD Feedstock Assets*" and "*Renewable Assets — RNG Business Unit — RNG Assets — RNG Feedstock Assets*".

There can be no assurance that the Company will be able to secure the full amount of feedstocks required to runs its operations, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

Interruptions in PGR Operations

The Company expects to derive a substantial portion of the Company's profitability from the production of renewable fuels from the Company's assets located at PGR and any interruption in these operations would have a material adverse effect on operations and financial conditions. If production at the PGR were interrupted due to any reason, it would have a disproportionately significant and material adverse impact on the Company's operations and financial conditions.

Operation and Maintenance of Facilities

The operation and maintenance of the Company's facilities involves risks that may materially and adversely affect the Company's business. There can be no assurance that the Company's maintenance program will be able to detect potential failures in its facilities prior to occurrence or eliminate all adverse consequences in the event of failure. In addition, weather related interference, work stoppages and other unforeseen problems may disrupt the operation and maintenance of the Company's facilities and may materially and adversely affect the Company.

While the Company may maintain an inventory of, or otherwise make arrangements to obtain, spare parts to replace critical equipment and maintain insurance for property damage to protect against certain operating risks, these protections may not be adequate to cover lost revenues or increased expenses and penalties which could result if the Company is unable to operate its generation facilities at a level necessary to comply with sales contracts.

Regulatory Risks, Including Changes to National and Local Legislation

Various levels of governments impose extensive controls and regulations on oil and natural gas operations, including on exploration, production, pricing, marketing and transportation. Governments may regulate or intervene with respect to exploration and production activities, prices, taxes, royalties and the exportation of petroleum and natural gas. Amendments to these controls and regulations may occur from time to time in response to economic or political conditions. See "*Industry*". The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for oil and natural gas or make certain projects on the Company's properties uneconomic, which could materially adversely affect the Company's business and financial condition.

Existing or proposed renewable fuel programs, including the BC LCFS, a provincial law requiring the consumption of qualifying renewable fuels, could be repealed, curtailed or otherwise changed, which would have a material adverse effect on the Company's revenues, operating margins and financial condition.

Renewable fuel regulations are dynamic and subject to evolving interpretations which could require the Company to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of the Company's operations. The Company cannot predict the nature of any future laws, regulations, interpretations or applications towards renewable energy policies, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the Company's business. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition, and results of operations. For example, regulatory approvals or permits may be required for the installation, maintenance, or use of Renewable Natural Gas and related infrastructure projects under federal, provincial, and municipal regulations governing renewable energy. To the extent that there are delays in gaining regulatory approval, the Company's development and growth may be constrained.

In January 2010, the BC LCFS came into effect. The BC LCFS requires reductions in the lifecycle CI of transportation fuels supplied in BC by 9% from a 2010 CI baseline. In December 2018, BC's Ministry of Energy, Mines and Petroleum Resources released their CleanBC Plan, announcing an increase of the CI target to 20% by 2030 relative to 2010 CI levels. In July 2020, these amendments to the BC LCFS came into effect. To date, BC is the only province with a low carbon fuel standard in Canada.

In March 2017, the province of BC announced the "Renewable Portfolio Allowance" for Renewable Natural Gas. As part of this initiative, the Government of BC amended the Greenhouse Gas Reduction (Clean Energy) Regulation, prescribed under the Clean Energy Act, to include a renewable portfolio allowance through which natural gas utilities are permitted to acquire up to 5% of their supply from RNG. The net effect of the changes in legislation was that the BC utilities were able to purchase Renewable Natural Gas for up to $30/GJ, a significant premium from prices paid prior to the change in legislation. Supportive government policy with respect to GHG emission reduction currently provides enhanced opportunities for suppliers to produce RNG in BC, however all government policy, laws and regulations are subject to change without notice.

Further, on December 18, 2020, Environment and Climate Change Canada issued the CFR, coming into effect January 1, 2023. The proposed Regulations intend to reduce GHG emissions by reducing the lifecycle CI of liquid and gaseous fossil fuels used in Canada. Supportive government policy with respect to GHG emission reduction currently provides enhanced opportunities for suppliers to produce Renewable Diesel, hydrogen and RNG in Canada, however all government policy, laws and regulations are subject to change without notice.

For instance, changes to the BC LCFS, including regarding the calculation of BC LCFS Credits or specific calculation of CI methodology, may result in fewer BC LCFS Credits being generated by the Company's operations. There is no guarantee that the BC LCFS will not be discontinued unexpectedly or materially amended. Further, there is no guarantee that the CFR will come into force as proposed (without material delay) or, if it does, that it will not be discontinued unexpectedly.

The number of BC LCFS Credits received for the use of a certain pathway is calculated by taking the difference between the pathway's CI score and BC annual CI compliance standard / benchmark for gasoline or diesel (depending on the end use of the fuel). Revenue from the BC LCFS program is based on the number of credits received for the use of a certain pathway as a low-carbon transportation fuel and the then-current BC LCFS trading price. There is no guarantee that a pathway's CI score or the CI compliance standard / benchmark will not be changed, which change could have a material adverse effect on the Company.

Additionally, the Initial Assets included the Renewable Storage Reservoir Assets, which has the potential to be a carbon capture asset, similar to the potential carbon capture assets retained by Tidewater Midstream. These assets could potentially be classified by the Government of Alberta as CCUS. The Company understands that Alberta Energy has received a very large number of inquiries related to carbon sequestration tenure and that, moving forward, the Government of Alberta will issue carbon sequestration rights through a competitive process, advancing the development of strategically located carbon storage hubs. The underlying regulations on CCUS in Alberta remain unclear and the Company is not able to provide clarity to investors on the timing for implementation of such CCUS regulations or on whether the Company's reservoir assets will be approved as CCUS assets in Alberta.

The Company cannot predict with any certainty the future trading price of the BC LCFS Credits and/or CFR Credits. If such future trading prices are insufficient, the future of the Company would be uncertain and the Company's business and financial condition will suffer. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Price of BC LCFS Credits*".

Management expects that the legislative and regulatory environment in the renewable energy industry in Canada will continue to positively develop but still be dynamic for the foreseeable future. The Company's business may suffer if environmental policies change and no longer encourage the development and growth of renewable energy solutions. Public opinion can also exert a significant influence over the regulation of the renewable energy industry. A negative shift in the public's perception in the feasibility of renewable energy could affect future legislation or regulations in Canada. There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Currently, under the BC LCFS, BC LCFS Credits may be stacked with the proposed CFR Credits and reciprocally, under the proposed form of CFR, CFR Credits may be stacked with BC LCFS Credits; however, given that the CFR is proposed legislation and is not anticipated prior to be finalized prior late 2022 (with effect January 2023), whether stacking with BC LCFS is permitted under the final form of CFR remains to be confirmed.

Programs Requiring the Use of Renewable and Lower Carbon Fuels

The Company expects to derive a significant portion of its revenues from sales of the Company's renewable fuel in Canada; adverse changes in the programs requiring the use of renewable and lower carbon fuels or reductions in the value of credits would harm the Company's revenues and profits.

Canadian provinces and certain states in the United States have policies designed to increase the renewable content in transportation fuels and/or reduce GHG emissions associated with such fuels. As a result of these policies, the most significant markets in which the Company sells its renewable fuel, and the Company expects to derive a significant portion its revenue and profit from sales into these markets. If the value of renewable fuels in these markets were to materially decrease, as a result of reduced demand or increased supply by competitors, or for other reasons including the impact of the COVID-19 pandemic, if the fuel the Company produces is deemed not to qualify for compliance in those markets or those policies are otherwise changed in a manner adverse to us, its revenues and profits could be seriously harmed.

Increasing Supply of Renewable Fuels

Plant expansions of Renewable Diesel and potential co-processing of Renewable Diesel by petroleum refiners, could reduce prices for the Company's fuel and increase costs of feedstocks, which would seriously harm to the Company's revenues and operations. Renewable fuel companies are expected to expand production of Renewable Diesel for the North American market. Traditional petroleum refiners are also expected to enter the Renewable Diesel market whether by new biorefineries or the conversion of existing refineries to Renewable Diesel production facilities.

If production of competitive advanced biofuels increases significantly as a result of utilization of existing excess production capacity or new capacity as described above, competition for feedstocks would increase significantly, harming margins. Furthermore, if supply of advanced biofuels exceeds demand, prices for Renewable Diesel and the associated credits may decrease significantly, harming profitability and potentially forcing the Company to idle facilities.

Spread Between Renewable Fuel Prices and Feedstock Costs

The Company's gross margins are dependent on the spread between renewable fuel prices and feedstock costs, each of which are volatile and can cause the Company's results of operations to fluctuate substantially. Renewable fuel has traditionally been marketed primarily as an additive or alternative to petroleum-based diesel fuel, and, as a result, renewable fuel prices have been heavily influenced by the price of petroleum-based diesel fuel, adjusted for government incentives supporting renewable fuels, more so than renewable fuel production costs. The absence of a close correlation between production costs and renewable fuel prices means that the Company may be unable to pass increased production costs on to the Company's customers in the form of higher prices. If there is a decrease in the spread between renewable fuel prices and feedstock costs, whether as a result of an increase in feedstock prices or as a result of a reduction in renewable fuel and credit prices, gross margins, cash flow and operations would be adversely affected. A decrease in the availability or an increase in the price of feedstocks may have a material adverse effect on the Company's financial condition and operating results. The price and availability of feedstocks and other raw materials may be influenced by general economic, market, environmental, and regulatory factors.

Financial Expectations

The Company's quarterly revenue and results of operations are difficult to predict and fluctuate from quarter to quarter. The Company's quarterly results of operations are influenced by a number of factors, including the risks described in this AIF, many of which are outside of the Company's control, which may cause such results to fall below market expectations.

Although the Company bases its planned operating expenses in part on the Company's expectations of future revenue, a significant portion of the Company's expenses are relatively fixed in the short-term. If revenue for a particular quarter is lower than expected the Company likely will be unable to proportionately reduce its operating expenses for that quarter, which will adversely affect the Company's results of operations for that quarter. If the Company fails to meet or exceed analyst or investor expectations, the price of the Common Shares may significantly decline.

Infrastructure Service Interruptions

If the Renewable Assets were to become unexpectedly unavailable for delivery of current or future volumes of renewable fuel products because of repairs, damage, spills or leaks, or any other reason, it could have a material adverse impact on financial conditions and results of operation of the business. Although the costs of infrastructure replacement programs are typically recovered in rates, on-going capital is required to fund such programs. In addition, operating issues resulting from maturing infrastructure such as leaks, equipment problems and incidents, including, without limitation, explosions, and fire, could result in legal liability, repair and remediation costs, increased operating costs, increased capital expenditures, regulatory fines and penalties, and other costs and a loss of customer confidence. Any liabilities resulting from the occurrence of these events may not be fully covered by insurance or rates. Service interruption incidents that may arise through unexpected major power disruptions to Renewable Assets, third-party negligence or unavailability of critical replacement parts could cause its counterparties to be unable to safely and effectively operate these assets. This could adversely affect Tidewater Renewables' business operations and financial results.

Reliance on Counterparty Activity

The volumes of renewable fuel and other products produced from the Renewable Assets depends on production and renewable feedstock. Without sufficiently consistent supply of renewable feedstock, the manufacture of renewable fuel may be inconsistent and production costs may rise.

There is also risk associated with Tidewater Renewables' customers being able to perform their contracted obligations. For example, counterparties may not comply with their contracted obligations (counterparty risk) or may not deliver volumes consistent with their production profile (volume risk), all of which could adversely affect Tidewater Renewables' financial results, including the returns on capital investments.

Over the long-term, business will depend, in part, on the level of demand for the renewable fuel and other related products in the geographic areas in which deliveries are made by pipelines or truck and their ability and willingness to utilize such delivery to supply such demand. Tidewater Renewables cannot predict the impact of future economic conditions, fuel conservation measures, alternative fuel requirements, governmental regulation or technological advances in fuel economy and energy generation devices, all of which could reduce the demand for renewable fuel and other related products.

Dependence on the Operations of Counterparties and Contractual Arrangements

The Company is dependent on its counterparties to operate the Initial Assets. In addition, the Company has limited ability to exercise influence over certain of the operations on the Initial Assets and the associated operating or capital costs, which could adversely affect the Company's financial performance. The Company's revenues, which are derived from the Initial Assets, depend upon a number of factors, most of which are outside of the Company's control. Such factors include: the renewable feedstock and petroleum production related to the Co-Processing Assets; the timing and amount of capital expenditures directed or committed towards the development of the Co-Processing Assets and the operation of the RNG & Hydrogen Storage Assets; the counterparties' expertise, production practices and financial resources; the approval of other participants or third-party customers as the case may be; the selection of technology; risk management; and environmental compliance and remediation practices. For instance, the ability of Tidewater Renewables to execute projects and manufacture the renewable fuel from the Co-Processing Assets depends upon numerous factors beyond the Company's control. Because of these factors, Tidewater Renewables may be unable to execute projects on time, on budget, or at all, and may be unable to produce and manufacture the renewable fuel the Co-Processing Assets effectively, all of which would result in a reduction of revenue.

In addition, the Company's operations rely on revenue from its counterparties under a number of contractual arrangements described elsewhere in the AIF under the heading "*Agreements with Tidewater Midstream and Other Counterparties*". There is a risk that the Company's counterparties may default under these agreements. Tidewater Renewables cannot provide assurance that one or more counterparties will not default on their obligations to the Company or that such a default or defaults will not have a material adverse effect on the Company's operations, financial position, future results of operations, or future cash flows. Furthermore, the bankruptcy of one or more of Tidewater Renewables' counterparties, or other similar proceeding or liquidity constraint, might make it unlikely that Tidewater Renewables would be able to collect all or a significant portion of amounts owed by the distressed entity or entities. In addition, such events might force such counterparties to reduce or curtail their future business operations, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

With respect to its Renewable Assets, the Company endeavors to minimize risk wherever possible by structuring its contracts in a way that minimizes volume risk (e.g. minimum guaranteed volumes and "take-or-pay" arrangements), however, it is possible that such arrangements may not be fully effective. In addition, the contract terms are finite and in some cases the agreements contain termination or suspension rights for the benefit of the counterparty.

Certain of Tidewater Renewables' assets with revenues under contracts will be subject to re-contracting risk in the future. The Company cannot provide assurance that it will be able to renegotiate these contracts once their terms expire or, even if the Company is able to do so, that it will be able to obtain the same prices or terms the Company currently receives. If the Company is unable to renegotiate these contracts, or unable to receive prices at least equal to the current prices it receives, the Company's business, financial condition, results of operation and prospects could be adversely affected.

The Company is dependent on its counterparties for the cash flow it receives, and this cash flow is primarily derived from the performance of the underlying businesses of the counterparties. The amount of funds received from the Company's counterparties depends upon the amount of cash they in turn generate from its operations, which will fluctuate from time to time based on, among other things: production levels; prevailing commodity prices; the levels of operating, capital and maintenance expenses and general and administrative expenses; and prevailing economic conditions.

Counterparty Credit Risk

The Company is exposed to counterparty credit risk through its ownership of the Renewable Assets. If any counterparty fails to meet their contractual or financial obligations to the Company, such failures could materially adversely affect the Company's business and financial condition. Further, poor credit conditions may impact a counterparty's ability to fund the capital programs conducted with respect to the Renewable Assets or fulfill its contractual or financial obligations with respect to the Renewable Assets, which in turn could result in a reduction of the Company's revenues.

Tidewater Midstream is a counterparty to the vast majority of contracts with exposure for counterparty credit risk for Tidewater Renewables. See also, "*Risk Factors — Risks Relating to the Company's Relationship with Tidewater Midstream*".

Capital and Additional Funding Requirements

The Company's cash flow from a combination of (i) undrawn amounts under the AIMCo Facility and the Credit Facility, (ii) cash flow generated by the sale of BC LCFS Credits which Tidewater Renewables expects to continue to earn upon satisfaction of certain construction milestones related to both the FCC Co-Processor and the Renewable Diesel & Renewable Hydrogen Complex (which BC LCFS Credits also continue to be earned upon operation of such projects and sales of renewable fuels pursuant thereto), (iii) cash flow generated by the Renewable Assets (and by the various capital projects as they come online, including the Renewable Diesel & Renewable Hydrogen Complex and the RNG Project) may not be sufficient to fund its ongoing activities at all times, and from time to time the Company may require additional financing. Future capital and other expenditures will be financed out of cash flow, borrowings and possible future equity issuances, and the Company's ability to do so will be dependent on, among other factors: the overall state of the capital markets; the Company's credit rating (if applicable); interest rates; tax burden due to current and future tax laws; and investor appetite for investments in the renewable energy industry and the Company's securities in particular. The Company's ability to finance through future equity issuances may also be affected by any future sales of Common Shares by Tidewater Renewables.

There can be no assurance that debt or equity financing, or cash flow generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. There is risk that if the economy and banking industry experienced unexpected and/or prolonged deterioration, the Company's access to additional financing may be affected. The inability of the Company to access sufficient capital for its operations could materially adversely affect the Company's financial condition.

In addition, the future development of the Co-Processing Assets, the Capital Projects, and the operation of the RNG and Hydrogen Storage Assets may require additional financing from the Company's counterparties and there are no assurances that such financing will be available, or, if available, will be available upon acceptable terms to the counterparties. For instance, failure to obtain any financing necessary for such counterparties' capital expenditure plans may result in a delay in development of the Acquired Assets.

Volatility in Market Price of Common Shares

The market price for the Common Shares has been and may continue to be subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including, without limitation: (i) actual or anticipated fluctuations in the Company's financial results; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other companies that investors deem comparable to the Company; (iv) the loss or resignation of members of Management or the Board and other key personnel of the Company; (v) sales or perceived sales of additional Common Shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company, Tidewater Midstream or its competitors where the Company does not realize its anticipated benefits from such transaction; (vii) trends, concerns, technological or competitive developments, regulatory changes and other related issues in the oil and natural gas industry; and (viii) actual or anticipated fluctuations in interest rates.

Financial markets have experienced significant price and volume fluctuations in recent years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values which may result in impairment losses. Certain institutional investors may base their investment decisions on consideration of the Company's ESG practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares.

Negative Impact of Additional Sales or Issuances of Common Shares

Tidewater Renewables may sell additional Common Shares from time to time, including pursuant to the Investor Liquidity Agreement, and is not required to consider the potential negative impact of such sales on the trading price of the Common Shares or the Company in general. Tidewater Midstream holds 68.85% of the issued and outstanding Common Shares. The Investor Liquidity Agreement provides for Demand Registration rights in favour of Tidewater Midstream that enable Tidewater Midstream to require the Company to qualify by prospectus or register, as applicable, all or a portion of the Common Shares held, directly and indirectly, by Tidewater Midstream for a distribution to the public in Canada. The Investor Liquidity Agreement also provides Tidewater Midstream with the Piggy-Back Registration rights. Where the Company proposes to make a distribution, for its own account or for the account of any other holder of securities of the Company, Tidewater Midstream will have the right to include a specified number of its Common Shares in the distribution, subject to certain limitations. Sales of Common Shares owned, directly and indirectly, by Tidewater Midstream through the Investor Liquidity Agreement or otherwise could exert downwards pressure on the trading price of the Common Shares and could impair the future ability of the Company to raise capital through the sale of its equity securities.

Additionally, the Board may issue an unlimited number of Common Shares without any vote or action by the Shareholders, subject to the rules of any stock exchange on which the Company's securities may be listed from time to time. The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities. If the Company issues any additional equity, the percentage ownership of existing Shareholders will be reduced and diluted, and the price of the Common Shares could decline.

Debt Matters

The Company relies on debt financing for some of its business activities, including capital and operating expenditures. There are no assurances that the Company will be able to refinance any or all of its borrowings at their maturity. In addition, there are no assurances that the Company will be able to comply at all times with the covenants applicable under its current borrowings; nor are there assurances that the Company will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Company to secure refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Company's financial results, including its ability to maintain dividends to Shareholders. Further, any inability of the Company to obtain new financing may limit its ability to support future growth.

The Company believes that its existing Credit Facility and AIMCo Facility will be sufficient for its immediate requirements and has no reason to believe that it will not be able to renew its existing credit facility or refinance on commercially reasonable terms. However, continued uncertainty in the global economic situation means the Company, along with other oil and gas companies, may have restricted access to capital and increased borrowing costs. The Company's ability to raise debt is dependent upon, among other factors, the overall state of the capital markets and investor appetite for investments in the energy industry generally and in the Company's securities in particular. The ability to make scheduled payments on or to refinance debt obligations depends on the financial condition and operating performance of the Company, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. As a result, the Company may be unable to maintain a level of cash flow from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness. These conditions could have an adverse effect on the industry in which the Company operates and its business, including future operating and financial results. There can be no assurance that the Company's cash flow from operating activities will be adequate for future financial obligations or that additional funds will be able to be obtained.

Although the Credit Facility will not be cross-collateralized with the Tidewater Midstream Credit Facilities, the agreement governing the Credit Facility provides that each Lender's commitment thereunder is equivalent to its proportionate commitment under the Tidewater Midstream Credit Facilities, until the first unanimous extension of the Credit Facility. Further, pursuant to an inter-creditor agreement between, among others, the Company, the Lenders (or agent thereof) and the lenders under the Tidewater Midstream Credit Facilities (or agent thereof), the Company acknowledges and agrees that the Lenders and the lenders under the Tidewater Midstream Credit Facilities may treat the Company and Tidewater Midstream as affiliated and consolidated entities in considering their total exposure, risk rating and capital allocation to the Company under the Credit Facility and Tidewater Midstream Credit Facilities, respectively, or for any other purpose, and may have regard to such considerations with respect to any extension, consent or waiver request or in taking any other discretionary action in respect of the Credit Facility or the Tidewater Midstream Credit Facilities, respectively. Notwithstanding the foregoing, the Credit Facility and the Tidewater Midstream Credit Facilities are not subject to cross defaults and will the Company and Tidewater Midstream are not consolidated for the purposes of covenant testing or availability. Accordingly, the long-term availability of credit under the Credit Facility is, to a certain extent, outside of the Company's control and dependent on Tidewater Midstream's financial position, as the Lenders are expected to treat the Company and Tidewater Midstream as affiliates and consolidated entities for purposes of any discretionary action under the Credit Facility for so long as there is a significant degree of connection between the Company and Tidewater Midstream, including in respect of the management, administration, strategy and growth of the Company by Tidewater Midstream, whether through ownership of Common Shares, co-ownership of assets, including the Acquired Assets, by contract, including pursuant to the Governance Agreement or Shared Services Agreement, or otherwise.

The Company may not be able to obtain new financing to replace the Credit Facility or the AIMCo Facility, nor may any such new financing be on commercially reasonable terms or terms that are acceptable to the Company. See "*Borrowings*".

Overall Level of Indebtedness

From time to time, the Company may have a significant amount of indebtedness and the Company's level of indebtedness could materially and adversely affect it in a number of ways. For example, it could:

- make it more difficult for the Company to conduct its operations;
- increase the Company's vulnerability to general adverse economic and industry conditions;
- require the Company to dedicate a portion of its cash flow from operating activities to service payments on its indebtedness, thereby reducing the availability of the Company's cash flow from operating activities to fund working capital, capital expenditures and other general corporate purposes including impacting the ability of the Company to maintain dividends to Shareholders;

- limit the Company's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Company at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Company's ability to borrow additional funds on commercially reasonable terms, if at all, to meet its operating expenses and for other purposes.

Debt Service

Tidewater Renewables will require sufficient cash flow in the future in order to service and repay its indebtedness. Tidewater Renewables' ability to generate sufficient cash flow to meet these obligations depends on Tidewater Renewables' financial condition which is, to a certain extent, subject to global economic, financial, competitive, and other factors that may be beyond its control. If Tidewater Renewables is unable to obtain future borrowings or generate cash flow from operations in an amount sufficient to service and repay its indebtedness, Tidewater Renewables will need to refinance or be in default under the agreements governing its indebtedness and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets. Such refinancing or alternative measures may not be available on favourable terms or at all. Due to volatile economic conditions, Tidewater Renewables may from time to time have restricted access to capital and increased borrowing costs. The inability to service, repay and/or refinance its indebtedness could have a material adverse effect on Tidewater Renewables' business, financial condition, results of operations and cash flows. Furthermore, amounts paid in respect of interest on long-term debt will reduce Tidewater Renewables' net income. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service.

Debt Agreements

Collectively, the Credit Facility and AIMCo Facility limit, among other things, Tidewater Renewables', and certain of its subsidiaries', ability to:

- incur or guarantee additional debt or other obligations, issue certain equity securities or enter into sale and leaseback transactions other than in limited circumstances;
- in certain circumstances, pay dividends on shares or repurchase shares, redeem subordinated debt or make other restricted payments;
- in certain circumstances, hold cash in excess of set amounts;
- issue equity securities of subsidiaries;
- grant certain guarantees or other forms of financial assistance;
- change the nature of their business or operations in any material respect;
- make certain investments or acquisitions over a certain limit;
- create liens on their assets;
- change their fiscal year;
- enter into transactions with affiliates;
- liquidate, dissolve or wind up;
- consolidate, merge or transfer all or substantially all of their assets; and
- transfer or sell assets, including shares of subsidiaries.

These debt agreements also require Tidewater Renewables to maintain specified financial ratios and satisfy specified financial tests. Tidewater Renewables' ability to meet these financial ratios and tests can be affected by events beyond Tidewater Renewables' control, and Tidewater Renewables may be unable to meet those tests. As a result of these covenants, Tidewater Renewables' ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and the Company may be prevented from engaging in transactions that might otherwise be considered beneficial to Tidewater Renewables. The breach of any of these covenants could result in an event of default under the Credit Facility, the AIMCo Facility or any future credit agreements.

A failure to comply with the obligations in the Credit Facility or the AIMCo Facility, including financial ratios and specified financial tests, could result in a default which, if not cured or waived, would permit acceleration of the repayment of the relevant indebtedness as the lenders could elect to declare all amounts outstanding under the Credit Facility or AIMCo Facility, as applicable, to be immediately due and payable and terminate all commitments to extend further credit. If the lenders were to accelerate the repayment of borrowings, Tidewater Renewables may not have sufficient cash to repay balances owing on the Credit Facility or AIMCo Facility, as applicable. If Tidewater Renewables' indebtedness is accelerated and Tidewater Renewables is not able to repay its indebtedness or borrow sufficient funds to refinance it, the lenders under the Credit Facility or AIMCo Facility, as applicable, could proceed to realize upon the collateral granted to them to secure that indebtedness which could have a material adverse effect on Tidewater Renewables' business and financial results. Even if Tidewater Renewables is able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to Tidewater Renewables or may impose financial restrictions and other covenants on it that may be more restrictive than under the Credit Facility and AIMCo Facility. Additionally, if amounts outstanding under the Credit Facility or AIMCo Facility, as applicable, were to be accelerated, or if Tidewater Renewables were not able to borrow under the Credit Facility or AIMCo Facility, as applicable, it could become insolvent or be forced into bankruptcy or insolvency proceedings or receivership. Notwithstanding an event of default, there is also no assurance that Tidewater Renewables will be able to refinance any or all of the Credit Facility, or AIMCo Facility, as applicable at its maturity date on acceptable terms, or on any basis.

Prices, Markets and Demand for Petroleum Products

Numerous factors beyond the Company's control affect the marketability and price of crude oil and natural gas produced from the Co-Processing Assets and processed through the RNG and Hydrogen Storage Assets.

Prices for crude oil, natural gas, diesel and the renewable fuel are subject to large fluctuations in response to relatively minor changes in the supply of and demand for petroleum and natural gas, market uncertainty and a variety of additional factors beyond the control of the Company. These factors include economic conditions in the United States, Canada, Asia and Europe, the actions of Organization of the Petroleum Exporting Countries ("**OPEC**"), governmental regulation, political stability in the Middle East, Northern Africa and elsewhere, the foreign supply of petroleum and natural gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Prices for crude oil, natural gas, diesel, and renewable fuel are also subject to the availability of foreign markets and the Company's (and other industry participants') ability to access such markets. For instance, during the first quarter of 2020, OPEC and Russia failed to agree on a plan to cut production of oil and related commodities. Subsequently, Saudi Arabia announced plans to increase production and reduce the prices at which they sell oil. In response to the oversupply of crude oil caused by COVID-19 and the actions of OPEC, Saudi Arabia and Russia, certain state regulators in the U.S. are considering prorating production of hydrocarbons. These events, combined with the outbreak of COVID-19 that reduced economic activity and the related demand for oil, contributed to a sharp drop in prices for crude oil, and natural gas, diesel, and renewable fuel in the first half of 2020. Similar events could occur in 2021 and beyond.

All of these factors could result in a material decrease in the Company's expected revenue and a reduction in future renewable fuel development and acquisition activities.

Crude oil and natural gas prices are expected to remain volatile in the near future due to market uncertainties over the supply of and the demand for these commodities due to the current state of the world economies, OPEC actions, sanctions imposed on certain oil producing nations by other countries and ongoing credit and liquidity concerns. Volatile crude oil and natural gas prices make it difficult to estimate the value of the renewable fuel. Price volatility also makes it difficult to budget for and project the return on potential acquisitions, divestitures and leasing opportunities.

The future growth and development prospects of the Company's renewable energy business is based in large part on assumptions about the future availability and price of petroleum products and renewable feedstock and natural gas. Natural gas prices have at various times been and may become volatile due to one or more of the following factors: insufficient supply or oversupply of natural gas; weather conditions and natural disasters; reduced demand for natural gas; decreased oil and natural gas exploration activities, which may decrease the production and increase the price of natural gas; changes in supplies of, and prices for, alternative energy sources such as coal, oil, hydrogen, nuclear, hydroelectric, biomass, wind and solar energy, which may reduce the demand for natural gas; changes in regulatory, tax or other governmental policies regarding, natural gas or alternative energy sources, which may reduce the demand for natural gas; and political conditions in natural gas producing regions.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and renewable energy generation devices could reduce the demand for oil, natural gas, liquid hydrocarbons, and ultimately the Renewable Fuels. The implementation of policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives and other alternative technologies may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for oil and natural gas products including renewable fuel. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flow by decreasing the Company's profitability, increasing its costs, limiting its access to capital and decreasing the value of its assets.

If the Company's upgrading systems used to produce the renewable fuel do not achieve commercially feasible results in conjunction with using the Company's products, the market for the Company's renewable fuel may not grow in the way the Company anticipates. Sales of the Company's Renewable Fuels largely depend upon the increased use and widespread adoption and demand of Renewable Diesel, Renewable Natural Gas, and hydrogen. The timeline for when such widespread adoption will take place is uncertain and may necessitate the Company to markedly change its financial projections.

Capital Projects May Not Generate Expected Levels of Output

The capital projects that the Company is currently constructing and owns remain subject to various operating risks that may cause them to generate less than expected amounts of renewable fuel. These risks include operational failures, an inability to find suitable replacement equipment or parts, less than expected supply or quality of the project's renewable fuel or volume disruption in the Company's renewable feedstock supply. Any extended interruption and or volume disruption in a project's operation, or a failure of the project for any reason to generate the expected amount of output of applicable renewable fuel, could adversely affect the Company's business and operating results. Furthermore, the Company may in the future incur material asset impairment charges if any of its renewable energy projects incur operational issues.

Risks Relating to Competition for Opportunities

The Company competes and will continue to compete with other renewable fuel companies as well as traditional downstream companies, which may have greater financial and other resources. The Company competes with other renewable fuel companies primarily for supply of feedstock as well as sales of end products. The Company also competes with other energy companies for the limited pool of personnel with requisite industry knowledge and experience. Any failures to successfully prevail in such competition will negatively affect the Company's long term growth prospects.

The Company cannot provide any assurance that the competitive pressures it faces will not have a material adverse effect on the Company's business, financial condition and results of operations or that Management will be able to identify and execute further activities that are consistent with the Company's objectives or that generate attractive returns for Shareholders. The Company may lose opportunities if it does not match prices, structures and terms offered by competitors, if it is unable to access sources of equity or obtain indebtedness at attractive rates or if the Company becomes subject to antitrust or competition laws. Alternatively, Tidewater Renewables may experience decreased rates of return and increased risks of loss if it matches prices, structures and terms offered by competitors.

Further, if additional volumes of fuels similar to the renewable fuel produced by the Company, come online the volume of similar renewable fuels generated could add additional supply to the Company's intended market.

Several leading renewable fuel companies have announced their intention to expand production of Renewable Diesel for the U.S. market. Competitors may use the same or related feedstocks to produce products similar to the renewable fuel and may produce products similar to the Renewable Fuels in a more cost-effective manner.

If production of competitive renewable fuels increases significantly as a result of utilization of existing excess production capacity or new capacity as described above, competition for feedstocks would increase significantly, harming margins. Furthermore, if supply of advanced renewable fuels exceeds demand, prices for the renewable fuel and other credits may decrease significantly, harming profitability.

Risks Arising from Co-ownership

A number of the Renewable Assets are jointly owned with Tidewater Midstream. Approvals must be obtained from such joint owners for proposals to make capital expenditures regarding such facilities. These approvals generally require that a capital expenditure proposal be approved by the owners of the relevant facility. It is accordingly not always possible for the Company to pursue proposals for capital expenditures without the approval of other co-owners, which may adversely affect the Company's ability to expand or improve the Renewable Assets. In addition, the agreement for the ownership and operation of the Renewable Assets contains rights of first refusal which require a transferor who is proposing to transfer an ownership interest, to offer such interest on the same commercial terms to the other owners of the facility prior to completing the transfer. Such provisions may restrict the Company's ability to transfer its interests in the Renewable Assets and may limit the Company's ability to maximize the value of a sale of its interest.

As part of the Company's effort to minimize the risks associated with co-ownership, the Company maintains communication with its co-owners through its participation in operating committees and formal decision-making processes such as mail ballots and expenditure approvals. The Company also utilizes its knowledge of industry activity and relationships with other owners to mitigate the risk of uncooperative behaviour. However, there is no guarantee that the Company will be able to execute its preferred business or operational strategy at facilities which are jointly owned.

Internal Controls Re: Financial Reporting and Preventing Fraud

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement the required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations, or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and adversely affect the trading price of the Common Shares.

Future Regulations and the Effect of Existing or Probable Government Regulations on the Company's Business

The regulations that are applicable to the Company's existing assets and capital projects vary according to the type of energy being produced and the jurisdiction of the facility. As part of the Company's growth strategy, the Company is looking to grow by pursuing development and acquisition opportunities. Such opportunities may exist in jurisdictions where the Company has no current operations and, as such, the Company may become exposed to different regulations for which the Company has no experience.

The Company's business may also be affected by numerous laws and regulations on the international, federal, provincial, state and local levels, including energy, environmental, conservation, tax and other laws and regulations relating to the Company's industry. Failure to comply with any laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of injunctive relief or both. Moreover, changes in any of these laws and regulations could have a material adverse effect on the Company's business. In view of the many uncertainties with respect to current and future laws and regulations, including their applicability to the Company, the Company cannot predict the overall effect of such laws and regulations on the Company's future operations.

The Company believes that its operations comply in all material respect with applicable laws and regulations and that the existence and enforcement of such laws and regulations have no more restrictive an effect on its operations than on other similar companies in the Company's industry. The Company does not anticipate any material capital expenditures to comply with international, federal, provincial and state environmental requirements.

Uninsured or Underinsured Losses

The Company will maintain insurance at levels that it believes are reasonable and that are typical for its industry's insurance coverage. However, the Company cannot give any assurances that its insurance coverage is adequate for any given risk or liability, that such insurance will continue to be available on commercially reasonable terms, that all events that could give rise to a loss or liability are insured or reasonably insurable or that its insurers would be capable of honouring their commitments if an unusually high number of claims were made against their policies. Certain losses, including certain environmental liabilities and business interruption losses, are not covered by insurance.

Managing Growth

In order to manage growth and changes in strategy effectively, the Company must: (a) maintain adequate facilities to meet customer demand and comply with contractual obligations; (b) expand sales and marketing capabilities; (c) develop a strategy to build, acquire or supply Renewable Diesel, RNG, and hydrogen; (d) expand the skills and capabilities of its current Management team; and (e) attract and retain qualified employees. The Company's expected growth depends on its ability to leverage its industry experience and relationships with customers and vendors to ensure the economic viability of pursued opportunities. While the Company intends to focus on managing its costs and expenses over the long term, it expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

In addition, the Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to properly manage growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Potential Acquisition and Investment Opportunities

In the normal course, the Company is expected to regularly evaluate and consider, and may be engaged in discussions and negotiations with respect to, potential acquisition and investment opportunities that it believes may assist it in achieving its business and growth plans, and in connection therewith it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an acquisition or investment, and, if they do, what the terms or timing of such would be or that such acquisition or investment will be completed by the Company. If the Company does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen Tidewater Renewables' financial or operating results, prospects or competitive position or that it will not be viewed negatively by customers, securities analysts or investors. Such transactions may also involve significant commitments of the Company's financial and other resources including the completion of additional financings of equity or debt. Any such activity may not be successful in generating revenue, income or other returns to the Company and the resources committed to such activities will not be available to the Company for other purposes.

The acquisition, financing, construction and development of new projects involves numerous risks, including:

- difficulties in identifying, obtaining and permitting suitable sites for new projects;
- failure to obtain all necessary rights to land access and use;
- assumptions with respect to the cost and schedule for completing construction;
- assumptions with respect to the Renewable Diesel, Renewable Hydrogen, and Renewable Natural Gas potential, including quality, volume and asset life for new projects;
- the ability to obtain financing for a project on acceptable terms or at all;
- delays in deliveries or increases in the prices of equipment;
- permitting and other regulatory issues, license revocation and changes in legal requirements;
- increases in the cost of labor, labor disputes and work stoppages;

- failure to receive quality and timely performance of third-party services;
- unforeseen engineering and environmental problems;
- cost overruns;
- accidents involving personal injury or the loss of life; and
- weather conditions, global health crises such as COVID-19, catastrophic events, including fires, explosions, earthquakes, droughts and acts of terrorism, and other force majeure events.

In addition, new projects have no operating history and may employ recently developed technology and equipment. A new project may be unable to fund principal and interest payments under its debt service obligations or may operate at a loss, which may adversely affect the Company's business, financial condition or results of operations.

Future Acquisitions

The Company may seek to expand through future acquisitions; however, there can be no assurance that the Company will locate attractive acquisition candidates, or that the Company will be able to acquire such candidates on economically acceptable terms, if at all, or that the Company will not be restricted from completing acquisitions pursuant to the terms and conditions from time to time of arrangements with third parties, such as the Company's creditors. Future acquisitions may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business or may involve significant issuances of equity or debt. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting Management and employees' attention away from day-to-day operations.

Any future acquisition involve potential risks, including, among other things: (i) the possibility that the Company, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the Company may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) an inability to successfully integrate any operation the Company acquired or acquires, as applicable; (v) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (vi) the potential disruption of the ongoing business and the distraction of Management from its day-to-day operations; and (vii) the loss of key employees and/or key relationships at the acquired business. In addition, the Company competes with other Renewable Diesel, RNG, and hydrogen companies as well as traditional energy companies, which may have greater financial and other resources for new business. Future acquisition candidates may have liabilities or adverse operating issues that the Company failed or fails to discover through due diligence prior to the acquisition. If the Company consummates any future acquisitions with unanticipated liabilities or adverse operating issues, or if acquisition-related expectations are not met, the Company's business, results of operations, cash flows, financial condition or prospects may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet.

Decommissioning, Abandonment, and Reclamation Costs

Tidewater Renewables is responsible for the costs associated with decommissioning, abandonment, and reclamation of the Renewable Assets at the end of their economic life, the costs of which may be substantial. It is not possible to predict these costs with certainty since they are a function of regulatory requirements at the time of decommissioning, abandonment and reclamation and the actual costs may exceed current estimates that are the basis of the asset retirement obligation shown in Tidewater Renewables' financial statements.

General Economic, Market Risks and Political Conditions

Tidewater Renewables' operations are affected by the condition and overall strength of the global economy and, in particular, the economies of Canada and the U.S.

Tidewater Renewables' operations, information systems and demand for its products and services may be vulnerable to substantial loss or damage as a result of certain disruptions and events, including national and international emergencies, acts of war, acts of terrorism, armed hostilities, terrorism, cyberattacks, diplomatic developments, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, and the outbreak of disease (such as COVID-19) or similar events, any of which may have a material adverse effect on Tidewater Renewables' reputation, business, financial conditions or operating results.

Further, during economic downturns, the demand for the renewable fuel that Tidewater Renewables provides and the supply of or demand for diesel, natural gas, and hydrogen may be adversely affected. The occurrence of periods of poor economic conditions or low or negative economic growth could have an adverse impact on Tidewater Renewables' results. The Company's business is, in part, dependent upon, and also correlated to, market risks and political conditions; in particular, adverse events in financial markets, which may have a profound effect on global or local economies. Some key impacts of general financial market turmoil include contraction in credit markets resulting in a widening of credit spreads, devaluations and enhanced volatility in global equity, commodity and foreign exchange markets and a general lack of market liquidity. A slowdown in the financial markets or other key measures of the global economy or the local economies of the regions in which the Company operates (including, but not limited to, employment rates, business conditions, inflation, fuel and energy costs, commodity prices, lack of available credit, the state of the financial markets, interest rates and tax rates) may adversely affect the Company's growth and profitability. For instance, a credit/liquidity crisis, such as the global crisis experienced in 2008/2009, could materially impact the cost and availability of financing and overall liquidity; the volatility of commodity output prices and currency exchange markets could materially impact revenues, profits and cash flow; volatile energy, commodity input and consumables prices and currency exchange rates could materially impact production costs; and the devaluation and volatility of global stock markets could materially impact the valuation of the Common Shares.

In addition, conflicts, or, conversely, peaceful developments, arising outside of Canada, including changes in political regimes or parties in power, may have a significant impact on the price of oil and natural gas. It is unclear exactly what other actions the current U.S. administration will implement, and if implemented, how these actions may impact Canada and, in particular, the oil and natural gas industry. Any actions taken by the current or any new U.S. administration may have a negative impact on the Canadian economy and on the businesses, financial conditions, results of operations and the valuation of Canadian oil and natural gas companies, including the Company. A change in federal, provincial or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the energy industry including the balance between economic development and environmental policy.

The oil and natural gas industry has become an increasingly politically polarizing topic in Canada, which has resulted in a rise in civil disobedience surrounding oil and natural gas development — particularly with respect to infrastructure projects. Protests, blockades and demonstrations have the potential to delay and disrupt the Company's activities, as well as activities that it is indirectly involved in.

Developments with respect to low-carbon fuel policies and the market for alternative fuels may affect demand for renewable fuel and could adversely affect the Company's financial performance. Low-carbon fuel policies, blending credits, and stricter fuel efficiency standards to help reach GHG emissions reduction targets help drive demand for the Company's renewable fuel. Any changes to, a failure to enforce, or a discontinuation of any of these policies, goals, and initiatives could have a material adverse effect on the Company's renewable fuel businesses. Similarly, new or changing technologies may be developed, consumers may shift to alternative fuels or alternative fuel vehicles (such as electric or hybrid vehicles) other than the renewable fuel the Company produces, and there may be new entrants into the renewable fuel production industry that could meet demand for lower-carbon transportation fuels and modes of transportation in a more efficient or less costly manner than the Company's technologies and products, which could also have a material adverse effect on the Company's renewable fuel businesses. For instance, several other refiners have made, or announced interest in, investments in Renewable Diesel projects. Should these projects develop, the Company would face competition from them for feedstocks and customers. While such developments are currently uncertain, a reduction in the demand for the Company's renewable fuel or increased competition for feedstocks could adversely affect the Company's financial performance.

The reduction, elimination or expiration of government subsidies and economic incentives could adversely affect the Company.

The Company seeks to take full advantage of government policies that promote renewable fuels and the reduction of CI of fuels. Renewable fuels currently benefit from various incentives in the throughout the markets in which the Company participates or intends to participate in. The removal or phasing-out of any such incentives could adversely affect the Company.

Non-Governmental Organizations and Eco-Terrorism Risks

The activities conducted by the Company may, at times, be subject to public opposition. Such public opposition could expose the Company to the risk of higher project costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups including Indigenous and climate change groups, landowners, environmental interest groups (including those opposed to oil and natural gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of the federal, provincial or municipal governments, and delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses. There is no guarantee that the Company will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require the Company to incur significant and unanticipated capital and operating expenditures.

In addition, the Company's and its counterparties' oil and natural gas properties, wells and facilities could be the subject of a terrorist attack. If any of the Company's or its counterparties' properties, wells or facilities are the subject of terrorist attack it may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company does not have insurance to protect against the risk from terrorism.

Reputational Risks

The Company's business, operations or financial condition may be negatively impacted because of any negative public opinion towards the Company or as a result of any negative sentiment toward, or in respect of, the Company's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Company operates as well as their opposition to certain projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses and increased costs and/or cost overruns. The Company's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the energy industry, particularly other producers, over which the Company has no control. In particular, the Company's reputation could be impacted by negative publicity related to environmental damage, loss of life, injury or damage to property caused by the Company's operations or due to opposition from special interest groups opposed to energy development. In addition, if the Company develops a reputation of having an unsafe work site, it may impact the ability of the Company to attract and retain the necessary skilled employees and consultants to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate related litigation against governments and energy companies may impact the Company's reputation.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Company's reputation. Damage to the Company's reputation could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Company's securities.

Changing Investor Sentiment

A number of factors, including the concerns of the effects of the use of fossil fuels on climate change, the impact of oil and natural gas operations on the environment, environmental damage relating to spills of petroleum products during transportation and Indigenous rights, have affected certain investors' sentiments towards investing in the energy industry. As a result of these concerns, some institutional, retail, and public investors have announced that they no longer are willing to fund or invest in energy companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust environmental, social and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the Board, Management, and employees of the

Company. Failing to implement such policies and practices, as requested by institutional investors, may result in such investors reducing their investment in the Company, or not investing in the Company at all. Any reduction in the investor base interested or willing to invest in the energy industry and more specifically, the Company, may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Company's securities even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause a decrease in the value of the Company's assets, which may result in an impairment change.

Occupational Health and Safety and Accident Risks

The Renewable Assets are highly exposed to the risk of accidents that may give rise to personal injury, loss of life, disruption to service and economic loss. Some of the tasks undertaken by employees and contractors are inherently dangerous and have the potential to result in serious injury or death.

The Company is subject to laws and regulations governing health and safety matters, protecting both members of the public and their employees and contractors. Occupational health and safety legislation and regulations differ in each jurisdiction. Any breach of these obligations, or serious accidents involving the Company's employees, contractors or members of the public could expose the Company to adverse regulatory consequences, including the forfeit or suspension of operating licences, potential litigation, claims for material financial compensation, reputational damage, fines or other legislative sanction, all of which have the potential to impact the Company's financial results and its ability to pay dividends. Furthermore, as the Company is not the operator of the Co-Processing Assets and RNG and Hydrogen Storage Assets, Tidewater Renewables has a limited ability to influence health and safety practices and outcomes which may involve drilling hazards, environmental damage and various field operating conditions, including, delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

The Company stores fuels in above ground storage tanks and transports fuel in trucks as well as with third-party truck and rail carriers. Its operations are subject to significant hazards and risks inherent in transporting and storing fuel. These hazards and risks include, but are not limited to, accidents, fires, explosions, spills, discharges, and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally imposed fines or clean-up obligations, personal injury or wrongful death claims, and other damage to property. Any such event not covered by the Company's insurance could have a material adverse effect on the Company's business, financial condition, and results of operations.

Force Majeure Events

The Company's operations and information systems may be vulnerable to substantial loss or damage as a result of certain disruptions, including natural disasters, national emergencies, acts of war, acts of terrorism, technological attacks, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, and the outbreak of disease (such as COVID-19) or similar events, any of which may have a material adverse effect on Tidewater Renewables' reputation, business, financial conditions or operating results.

Reliance on Key Personnel

The Company's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business and financial condition. The Company does not have any key person insurance in effect for the Company. In addition, the competition for qualified personnel in Alberta and BC, and, in particular, the energy industry, is intense and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of Management.

Dividends

The Company does not currently anticipate paying any cash dividends on its securities, including the Common Shares, in the near future. It may pay cash dividends in the future if and when operational circumstances permit. The actual amount of cash distributed to Shareholders, if any, will depend on numerous factors including: (i) the earnings of the Company; (ii) financial requirements for the Company's operations; (iii) the satisfaction by the Company of liquidity and solvency tests in the ABCA (as defined herein); and (iv) any agreements relating to the Company's indebtedness that restrict the declaration and payment of dividends. The payment of dividends is not guaranteed and the amount and timing of any dividends payable is at the discretion of the Board.

Variations in Foreign Exchange Rates and Interest Rates

The Canadian/United States dollar exchange rate, which fluctuates over time, could affect the price received by Canadian producers of oil and natural gas. Material increases in the value of the Canadian dollar may indirectly affect the Company's revenues, as revenues received by Company could decrease. Future variations in Canadian/United States exchange rates may accordingly affect the future value of the Company's reserves as determined by independent evaluators.

An increase in interest rates could result in a significant increase in the amount the Company pays to service debt, resulting in a reduced amount available to fund its activities and the cash available to pay dividends, and could negatively impact the market price of the Common Shares.

Hedging

From time to time, the Company may enter into hedging arrangements to fix interest rates applicable to the Company's debt. However, if interest rates decrease as compared to the interest rate fixed by the Company, the Company will not benefit from the lower interest rate. Similarly, from time to time the Company may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar. However, if the Canadian dollar declines in value compared to the United States dollar, the Company will not benefit from the lower exchange rate. See "*Business of Tidewater Renewables — Risk Management*".

To the extent the Company is able to hedge its HDRD, RNG and Hydrogen revenues and feedstock costs, the Company's hedging transactions expose the Company to the risk that a counterparty fails to perform under a derivative contract. Disruptions in the financial markets could lead to sudden decreases in a counterparty's liquidity, which could make them unable to perform under the terms of the derivative contract and the Company may not be able to realize the benefit of the derivative contract. Any default by the counterparty to these derivative contracts when they become due would adversely affect the Company's business, financial condition, and results of operations.

Litigation

The Company may be subject to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Income Taxes

Income tax laws relating to the energy industry may in the future be changed or interpreted in a manner that adversely affects the Company. Furthermore, tax authorities having jurisdiction over the Company may disagree with how the Company calculates its income for tax purposes or could change administrative practices to the Company's detriment.

The Company will file all required income tax returns in order to be in full compliance with the provisions of the *Income Tax Act* (Canada) and all other applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, such reassessment may have an impact on current and deferred taxes payable.

Conflicts of Interest

Certain members of the Board and Management are also, or may in the future be, directors or officers of other oil and natural gas companies, including Tidewater Midstream, that may compete or be counterparties to agreements with the Company, and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company disclose his or her interest in and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. See "*Directors and Executive Officers — Conflicts of Interest*" and "*Risk Factors — Risks Relating to the Company's Relationship with Tidewater Midstream*".

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations or affairs of the Company. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Environmental

All phases of Tidewater Renewables' business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with its operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities.

As a working interest owner in the Renewable Assets, the Company is exposed to environmental claims and regulation and the associated costs in connection with such assets. Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties on the working interest owners or on the Company and its co-owners in respect of the Renewable Assets, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The Company will rely on the operators of the Renewable Assets to be in material compliance with current applicable environmental regulations; however, no assurance can be given that environmental laws will not result in a curtailment of production or processing or a material increase in the costs of production, development or exploration activities associated with the Renewable Assets or in the cost of operation of the Co-Processing Assets comprising a portion of the Renewable Assets or otherwise have a material adverse effect on the Company's business and financial condition.

Changes in environmental legislation may require, among other things, reductions in emissions to the air from the Company's existing and target customers' operations and result in increased capital expenditures. Future changes in environmental legislation could occur and result in stricter standards and enforcement, fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on certain of the Company's existing and target customers' ability to purchase the Company's products including the renewable fuel.

Indigenous Peoples Consultation and Claims

Some of the Company's facilities are located near reserve lands or other lands that have been traditionally used by Indigenous peoples. Indigenous peoples have claimed Aboriginal title and rights to a substantial portion of lands in Western Canada.

The interpretation of Aboriginal and treaty rights is evolutionary and government policy (including the requirements that are imposed on industry) continues to change. In many circumstances in Alberta and BC, Indigenous people are entitled to be consulted prior to resource development on Crown lands. The consultation processes and expectations of parties involved can vary considerably from project to project (and from Indigenous group to Indigenous group), which can contribute to process uncertainty, increased costs, delay in receiving required approvals, and potentially, an inability to secure the required approvals for some projects.

To help mitigate these risks, the Company intends to monitor developments that may affect activities around its facilities and changes in government policy. When appropriate, the Company intends to work, directly or indirectly, with Indigenous communities that have reserves or traditional lands where its facilities are located, or that may be affected by the Company's ongoing operations and for construction or expansion projects.

Climate Change Regulation

Tidewater Renewables may be adversely affected by federal, provincial, and state legislation, regulations, and initiatives designed to reduce GHG emissions, which may increase costs and adversely affect Tidewater' Renewables' operations, in particular at the PGR. There are international agreements (e.g. the Paris Climate Agreement and the Kyoto Protocol), national agreements and federal legislation (e.g. carbon tax, Output-Based Pricing System, Clean Fuel Standard, cap-and-trade or efficiency standards) and provincial legislation (e.g. BC's CleanBC climate policy and Alberta's Technology Innovation and Emissions Reduction System) that aim to reduce GHG emissions. These policies continue to evolve and overlap one another.

These developments may affect Tidewater Renewables' operations by potentially increasing costs of compliance, costs of supply and the price of petroleum products and thereby potentially reducing demand, and by imposing reporting and other regulatory obligations on Tidewater Renewables.

In 2016 the Government of Canada announced a national carbon pricing regime (the "Carbon Strategy") intended to support the objectives of the Paris Agreement on Climate Change signed by Canada and over 160 other countries in 2015. Under the Carbon Strategy, all provinces will be required to adopt a carbon pricing scheme that includes, at a minimum, a price on carbon emissions of $10 per tonne in 2018, increasing by $10 per tonne each year to $50 per tonne by 2022. To date the federal pricing regime will apply in Ontario, Saskatchewan (partially), New Brunswick, Manitoba, Prince Edward Island, Yukon, and Nunavut.

Other provinces have carbon pricing schemes that have been determined by the federal government to satisfy the minimum pricing set out in the federal Carbon Strategy.

The ultimate effect of climate change legislation, regulations, and initiatives on the operations of Tidewater Renewables, and the timing of these effects, will depend on several factors. Such factors include, among others, the GHG emission reductions required for industrial sectors, the extent to which Tidewater Renewables can adapt its fuel offerings or taking advantage of incentive programs including purchasing compliance units on the open market or through auctions, the price and availability of compliance units, and the extent to which Tidewater Renewables is able to recover the costs incurred through the pricing of Tidewater's products in the competitive marketplace. Additionally, government efforts to steer the public toward non-petroleum-based fuel dependent modes of transportation may foster a negative perception toward motor fuel or increase costs for the Company's product, thus affecting the public's attitude toward petroleum-based fuel and affect the Company's ability to market and sell such product. Any changes to climate change laws, regulations, and initiatives could materially and adversely affect Tidewater Renewables' business, prospects, results of operations or financial condition.

Existing and proposed environmental legislation developed by Canadian provinces and the Canadian federal government, requiring lower CI fuels by regulation will result in increased costs. These regulations may negatively affect the marketing of refined petroleum products and may require the Company to alter the Company's products or adapt operations to allow the Company to sell in such jurisdiction. The cost of such compliance units may not be able to be passed along to consumers, resulting in lower gross margin to Tidewater Renewables on the sale of the renewable fuel.

Global Climate Change

Over the past several years, changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters in certain parts of the world, including the markets in which the Company operates and intends to operate, and have created additional uncertainty as to future trends. There is a growing consensus today that climate change increases the frequency and severity of extreme weather events and, in recent years, the frequency of major weather events appears to have increased. The Company cannot predict whether or to what extent damage that may be caused by natural events, such as severe storms, hurricanes and tornados, will affect the Company's operations or the economies in the Company's current or future market areas, but the increased frequency and severity of such weather events could increase the negative impacts to economic conditions in these regions and result in a decline in the value or the destruction of the Company's Renewable Assets. In particular, if one of the regions in which the Company's Renewable Assets are operating is impacted by such a natural catastrophe in the future, it could have a material adverse effect on the Company's business. Further, the economies of such impacted areas may require significant time to recover and there is no assurance that a full recovery will occur. Even the threat of a severe weather event could impact the Company's business, financial condition or the price of the Common Shares.

In addition, the Company expects continued and increasing legislative attention to climate change issues and the emission of GHG, including methane (a primary component of natural gas) and carbon dioxide (a by-product of oil and natural gas combustion). Climate change policy is evolving at national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place by governments around the world, including the jurisdictions in which the Company is active. Any such regulations could increase the cost of carrying out operations and the cost of consumption, thereby impacting Tidewater Renewables' business financial condition or the price of the Common Shares.

Concentration of Assets in Alberta and British Columbia

All of Tidewater Renewables' assets are currently concentrated in Alberta and BC in the Western Canadian Sedimentary Basin (WCSB), which leaves the Company exposed to the economic conditions of such provinces.

Information Technology, Cyber-Attacks, Privacy and Data Protection

The Company relies on information technology systems and networks in its operations and the administration of its business. A failure of these information systems could lead to the impairment of business processes, and there is a risk of cascading failure of information systems leading to the impairment of multiple business processes. In addition, Tidewater Renewables collects and stores sensitive information in the ordinary course of business, including personal information in respect of its employees and proprietary information in respect of its stakeholders, including customers, suppliers, and investors.

Security breaches of Tidewater Renewables' information technology infrastructure, including, without limitation, cyber-attacks and cyber-terrorism, or other failures of Tidewater Renewables' information technology infrastructure could result in disruptions to operations and other operational outages, ability to operate safely, delays, damage to assets, the environment or to Tidewater Renewables' reputation, diminished counterparty confidence, lost profits, lost data including, without limitation, the unauthorized release of customer, employee or company data that is crucial to Tidewater Renewables' operational security or could adversely affect the ability to deliver and collect on customer bills, increased regulation and other adverse outcomes, including, without limitation, material legal claims and liability or fines or penalties under applicable laws and could adversely affect its business operations and financial results.

Tidewater Renewables' cybersecurity strategy focuses on information technology security risk management which includes, without limitation, continuous monitoring, ongoing cybersecurity communications and training for staff, conducting third-party vulnerability and security tests, threat detection, and an incident response protocol. However, there is no assurance that Tidewater Renewables will not suffer a cyber-attack or an information technology failure notwithstanding the implementation of this strategy and the measures taken pursuant to that strategy, including, without limitation, as set forth above and the occurrence of any of these cyber events could adversely affect Tidewater Renewables' financial condition and results of operations.

The Company's business operations could be targeted by individuals or groups seeking to sabotage or disrupt its information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt the Company's operations, including the safety of its operations and the availability of its facilities, or lead to unauthorized release of information or alteration of information in the Company's systems. Any such attack or other breach of the Company's information technology systems could have a material adverse effect on the Company's business and results of operations. The Company is subject to laws, directives and regulations relating to the collection, use, retention, disclosure, security, and transfer of personal data. These laws, directives, and regulations, and their interpretation and enforcement continue to evolve and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing privacy and data protection requirements may cause Tidewater Renewables to incur substantial costs or require the Company to change its business practices. Noncompliance with the Company's legal obligations relating to privacy and data protection could result in penalties, fines, legal proceedings by governmental entities or others, loss of reputation, legal claims by individuals and customers and significant legal and financial exposure and could affect the Company's ability to retain and attract counterparties.

Changes in the nature of cyber-threats and/or changes to industry standards and regulations might require Tidewater Renewables to adopt additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is hard to predict at this time.

Technical Systems and Processes Incidents

Failure of key technical systems and processes to effectively support information requirements and business processes may lead to Tidewater Renewables' inability to effectively and efficiently measure, record, access, analyze, and accurately report key data. This could result in increased costs and missed business opportunities.

Risks Relating to the Company's Relationship with Tidewater Midstream

Tidewater Midstream's Shareholdings and Provision of Shared Services

Tidewater Midstream is the majority Shareholder of the Company and, as such, is able to exert significant influence on the Company through its voting rights, including the right to vote for the election of directors to the Board. In addition, pursuant to the Governance Agreement, Tidewater Midstream will have the right, in certain circumstances, to nominate directors for election to the Board and will have certain consent rights. As a result, Tidewater Midstream will be able to exercise influence over the management, administration, strategy, and growth of the Company.

Until the date that is five years from the date of the Initial Public Offering and the Acquisition, unless terminated by either party on not less than three months' notice, the Company will depend on Tidewater Midstream to provide certain management and administrative services to the Company pursuant to the Shared Services Agreement. Tidewater Midstream personnel and support staff that provide services to the Company under the Shared Services Agreement are not required to have as their primary responsibility the administration of the Company or to act exclusively for the Company and the Shared Services Agreement does not require any specific individuals to be provided by Tidewater Midstream. If the Company is not satisfied with the manner in which Tidewater Midstream performs its services under the Shared Services Agreement, it is only entitled to terminate such services by mutual agreement of the Parties in writing. The failure of Tidewater Midstream to exercise its influence or provide its services in a manner consistent with the views of the directors or Management could materially adversely affect the Company's business and financial condition.

Furthermore, Tidewater Midstream has experienced departures of key employees in the past and this could also happen in the future, and the Company cannot predict the impact that any such departures will have on the Company's ability to achieve its objectives, particularly during the term of the Administrative Services Agreement. See "*Risk Factors — Risks Relating to the Company's Business, Renewable Energy Industry and Operating Environment — Reliance on Key Personnel*" and See "*Agreements with Tidewater Midstream and Other Counterparties*".

Competition from Tidewater Midstream

Tidewater Midstream is not prohibited from engaging in other businesses or activities, including those that might be in direct competition with those of the Company. In addition, Tidewater Midstream may compete with the Company for investment opportunities and may own an interest in entities that compete with Tidewater Midstream. This may create actual and potential conflicts of interest between the Company and Tidewater Renewables and result in less than favorable treatment of the Company and its Shareholders. See "*— Conflicts of Interest with Tidewater Midstream*", below.

Conflicts of Interest with Tidewater Midstream

The Shared Services Agreement, the Governance Agreement and the Company's other arrangements with Tidewater Midstream do not impose any duty on Tidewater Midstream to act in the best interest of the Company, and, as mentioned above, Tidewater Midstream is not prohibited from engaging in other business activities that may compete with those of the Company. The Company's ownership and management structure involves a number of relationships that may give rise to conflicts of interest between the Company and the Shareholders, on the one hand, and Tidewater Midstream, on the other hand. In certain instances, the interests of Tidewater Midstream may differ from the interests of the Company and its Shareholders, including the reinvestment of returns generated by the Company's activities, future acquisitions or strategic decisions, Tidewater Midstream operations and the appointment of outside advisors and service providers. It is possible that conflicts of interest may arise between the Company and Tidewater Midstream and that such conflicts may not be resolved in a manner that is in the best interests of the Company or its Shareholders. See "*Agreements with Tidewater Midstream and Other Counterparties*".

Under the Shared Services Agreement, Tidewater Midstream has not assumed any responsibility other than to perform its obligations and discharge its duties in the provision of the services under the Shared Services Agreement as a reasonable and prudent manager (as defined in the Administrative Services Agreement). In addition, under the Shared Services Agreement, the liability of Tidewater Midstream is limited to liability arising directly from the gross negligence or willful misconduct of Tidewater Midstream or its affiliates and representatives, subject to certain exceptions. In addition, the Company has agreed to indemnify Tidewater Midstream and its affiliates and representatives from and against any claims, liabilities, losses, damages, costs or expenses incurred arising out of, or attributable to, any act or omission of Tidewater Midstream or the Company in connection with the provisions of the services described in the Shared Services Agreement by Tidewater Midstream, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from gross negligence or willful misconduct of Tidewater Midstream or its affiliates or representatives. The indemnification arrangements with the Company to which Tidewater Midstream will be a party may also give rise to legal claims for indemnification that would be adverse to the Company and its Shareholders.

In addition, pursuant to the Governance Agreement, for so long as the percentage of outstanding Common Shares (on a non-diluted basis) beneficially owned directly or indirectly by Tidewater Midstream is not less than 40% of the issued and outstanding Common Shares, Tidewater Midstream is entitled to nominate such number of TWM Board Members that is equal to the greater of two and 40% of the members of the Board (rounded up or down to the nearest whole number, if applicable). Tidewater Midstream holds approximately 68.85% of the issued and outstanding Common Shares, which entitles Tidewater Midstream to nominate two members of the Board. The directors of the Company are required to act honestly and in good faith with a view to the best interests of the Company. However, directors nominated and subsequently appointed by a particular Shareholder are entitled, under the ABCA, to give special, if not exclusive, consideration to the interests of the Shareholder that appointed them. The interests of Tidewater Midstream may conflict with those of other Shareholders. See "*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*".

Departure of Tidewater Midstream's Professionals

The Company relies on the diligence, skill, and business contacts of Tidewater Midstream's professionals and the information and opportunities they generate during the normal course of their activities. Tidewater Midstream's future success will depend on the continued service of these individuals, who are not obligated to remain employed with Tidewater Midstream. The departure of a significant number of Tidewater Midstream's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Company's ability to achieve its objectives. The Shared Services Agreement does not require Tidewater Midstream to maintain the employment of any of its professionals or to cause any particular professionals to provide services to the Company or on its behalf.

Anticipated Benefits from Relationship with Tidewater Midstream

The Company's relationship with Tidewater Midstream is expected to be an important factor in the growth and success of the Company's business. There are no assurances that the Company will be able to maintain its relationship with Tidewater Midstream or realize the benefits it anticipates from its relationship with Tidewater Midstream. If the

Company is unable to successfully execute on this strategic relationship, the Company's overall growth could be impaired, and the Company's operational and financial performance could be lower than expected.

Ability to Recover Indemnification from Tidewater Midstream

As described under "*Agreements with Tidewater Midstream and Other Counterparties — Acquisition Agreements*", Tidewater Midstream has provided certain representations, warranties and indemnities regarding the Renewable Assets. If the Company suffers any loss as a result of a breach of the representations, warranties or any other term of the Initial Acquisition Agreements by Tidewater Midstream, or as a result of the occurrence of an event for which Tidewater Midstream agreed to indemnify the Company under the terms of the Acquisition Agreements, the Company may not be able to recover the amount of its loss from Tidewater Midstream. Purchasers of Common Shares offered under this AIF will not have a direct right of action against Tidewater Midstream for a breach of the Acquisition Agreements. The sole remedy of the Shareholders against Tidewater Midstream will be through the Company exercising its rights under the Initial Acquisition Agreements to claim for indemnification in respect of a breach by Tidewater Midstream of the representations and warranties or agreements contained therein, subject to the limitations specified therein and as described under "*Agreements with Tidewater Midstream and Other Counterparties — Acquisition Agreements*".

Future Changes in Relationship with Tidewater Midstream

The arrangements between the Company and Tidewater Midstream do not require Tidewater Midstream to maintain any ownership level in the Company. Accordingly, Tidewater Midstream may transfer all or a substantial portion of its interest in the Company to the public through secondary offerings (including pursuant to its rights under the Investor Liquidity Agreement; see "*Agreements with Tidewater Midstream and Other Counterparties — Investor Liquidity Agreement*"), or to a third-party, including in a merger or consolidation or sale of Common Shares (without the consent of the Company or its Shareholders) subject to market conditions, Tidewater Midstream 's requirements for capital or other circumstances that may arise in the future. Certain of the rights and obligations under the Governance Agreement, as described under "*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*", may also be assignable to a transferee of the Common Shares (other than in respect of transfers made pursuant to a public offering), upon notice to the Company. Accordingly, there can be no assurance as to who may hold and exercise such rights in the future. The interests of a transferee of the Common Shares may be different from Tidewater Midstream's and may not align with those of other Shareholders. The Company cannot predict with any certainty the effect that any such transfer would have on the trading price of the Common Shares or the Company's ability to raise capital in the future. As a result, the future of the Company would be uncertain and the Company's business and financial condition may suffer.

PROMOTER

Tidewater Midstream may be considered a promoter of the Company within the meaning of Canadian Securities Laws. To the knowledge of the Company, as of the date of this AIF, Tidewater Midstream beneficially owns, controls or directs, directly or indirectly, approximately 68.84% of the issued and outstanding Common Shares.

On August 18, 2021, Tidewater Renewables completed: (i) the Initial Public Offering via filing of the Prospectus; and (ii) the Acquisition of the Initial Assets from Tidewater Midstream. See "*General Development of the Business — Three Year History — 2021*" for details regarding the consideration paid for the Initial Assets. Subsequent to the Acquisition, 56,104 BC LCFS Credits were received by Tidewater Midstream directly from the Government of BC for costs incurred by Tidewater Midstream on the Renewable Diesel & Renewable Hydrogen Complex prior to the Acquisition. See "*General Development of the Business — Three Year History — 2022*". The consideration paid by Tidewater Midstream for the Initial Assets was $51,249,000 and such assets were acquired on November 1, 2019 (as to those assets located at PGR) and December 2016 (as to those assets located at BRC).

In conjunction with the Initial Public Offering and Acquisition, the Company established various agreements with Tidewater Midstream whereby Tidewater Midstream provides certain management, administrative and operational services required for Tidewater Renewables to operate and administer its assets. It also established agreements with Tidewater Midstream whereby Tidewater Midstream is provided certain board nomination rights and registration rights. See "*Agreements with Tidewater Midstream and Other Counterparties*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, since January 1, 2021, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be "material" by the Company if it involves a claim for damages and the amount involved, exclusive of interest and costs, does not exceed 10% of the Company's current assets, provided that if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Company has included the amount involved in the other proceedings in computing the percentage. See "*Risk Factors*".

There were no: (i) penalties or sanctions imposed against the Company by a court relating to Canadian Securities Laws or by a securities regulatory authority within the three years immediately preceding the date of this AIF; (ii) other penalties and sanctions imposed by court or regulatory body against the Company that the Company believes must be disclosed for this AIF to contain full, true and plain disclosure of all material facts relating to the Common Shares; or (iii) settlement agreements the Company entered into before a court relating to Canadian securities laws or with a securities regulatory authority within the three years immediately preceding the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere in this AIF, to the knowledge of Tidewater Midstream, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Company; (ii) any person or corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares; or (iii) an associate or affiliate (each, as defined in the *Securities Act* (Alberta)) of any persons or companies referred to above in (i) or (ii), in any transaction within the three years before the date of this AIF that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company, at its principal offices in Calgary, Alberta and Toronto, Ontario where transfers of securities may be recorded.

MATERIAL CONTRACTS

Other than as set out below, there are no material contracts entered into by Tidewater Renewables within the most recently completed financial year, or before the most recently completed financial year but which are still in effect, other than contracts entered into in the ordinary course of business:

1. the Acquisition Agreements. See "*Agreements with Tidewater Midstream and Other Counterparties — Agreements Relating to the Acquisition — Acquisition Agreements*";

2. the Shared Services Agreement. See "*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*";

3. the Governance Agreement. See "*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*";

4. the Investor Liquidity Agreement. See "*Agreements with Tidewater Midstream and Other Counterparties — Investor Liquidity Agreement*"; and

5. the credit agreement relating to the Credit Facility. See "*Borrowings — Credit Facility*".

Copies of these documents are available on SEDAR at www.sedar.com under the Company's profile.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the Company's most recently completed financial year other than Deloitte LLP.

Deloitte LLP is the Company's independent auditors. Deloitte LLP has advised they are independent with respect to the Company and Tidewater Renewables within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com under the Company's profile.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Tidewater Renewables' securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in Tidewater Renewables' information circular for the next annual meeting of Shareholders that involves the election of directors and additional information as provided in Tidewater Renewables' comparative financial statements for its most recently completed financial year. Tidewater Renewables will provide this information to any person, upon request made to the Chief Financial Officer of Tidewater Renewables at Suite 900, 222 – 3rd Avenue S.W., Calgary, Alberta, T2P 0B4. The documents will also be located on SEDAR at www.sedar.com under the Company's profile.

Additional financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2022, which are also available on SEDAR at www.sedar.com under the Company's profile.

SCHEDULE A

AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

Role and Objective

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Tidewater Renewables Ltd. ("**Tidewater Renewables**" or the "**Company**") to which the Board has delegated its responsibility for the oversight of the following:

1. nature and scope of the annual audit;
2. the oversight of management's reporting on internal accounting standards and practices;
3. the review of financial information, accounting systems and procedures;
4. financial reporting and financial statements,
5. and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. To assist directors of Tidewater Renewables ("**Directors**") in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Company and related matters, including compliance with legal and regulatory requirements;
2. To provide better communication between Directors and external auditors;
3. To enhance the external auditor's independence;
4. To increase the credibility and objectivity of financial reports, the financial reporting process and internal controls over financial reporting;
5. To strengthen the role of the independent Directors by facilitating in depth discussions between Directors on the Committee, management of Tidewater Renewables ("**Management**") and external auditors;
6. To maintain oversight of risk identification, assessment and management programs; and
7. To establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

Membership of Committee

1. The Board, on recommendation of the Governance, Compensation, Safety and Sustainability Committee, will appoint members to the Committee. The Committee will be comprised of at least three (3) Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is used in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") unless the Board determines that the exemption contained in NI 52-110 is available and determines to rely thereon.
2. The Board, on recommendation of the Governance, Compensation, Safety and Sustainability Committee, may from time to time designate one of the members of the Committee to be the Chair of the Committee.

3. All of the members of the Committee must be "financially literate" (as defined in NI 52 110) unless the Board determines that an exemption under NI 52 110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52 110.

Mandate and Responsibilities of Committee

It is the responsibility of the Committee to:

1. Oversee the work of the external auditors, including the resolution of any disagreements between Management and the external auditors regarding financial reporting.

2. Satisfy itself on behalf of the Board with respect to Tidewater Renewables' internal control systems, including financial and non-financial elements; identify, monitor and mitigate business risks; and ensuring compliance with legal, ethical and regulatory requirements.

3. Review the annual and interim financial statements of the Company and related management's discussion and analysis ("**MD&A**") prior to their submission to the Board for approval. The process should include but not be limited to:

    - reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;

    - reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;

    - reviewing accounting treatment of unusual or non-recurring transactions;

    - ascertaining compliance with covenants under loan agreements;

    - reviewing disclosure requirements for commitments and contingencies;

    - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;

    - reviewing unresolved differences between Management and the external auditors;

    - obtaining explanations of significant variances with comparative reporting periods; and

    - determining through inquiry if there are any related party transactions and ensuring that the nature and extent of such transactions are properly disclosed.

4. In addition to the review of financial statements and MD&A described above, review public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results, prospectuses, and if applicable, the annual information form) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Tidewater Renewables' disclosure of all other financial information and will periodically assess the accuracy of those procedures.

5. With respect to the appointment of external auditors by the Board:

    - recommend to the Board the external auditors to be nominated;

    - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;

    - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Company to determine the auditors' independence;

- monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinions between management and the external auditor;

- when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and

- review and pre approve any non-audit services to be provided to Tidewater Renewables or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre–approve non–audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre–approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.

6. Review with external auditors (and internal auditor if one is appointed by Tidewater Renewables) their assessment of the internal controls of Tidewater Renewables, their written reports containing recommendations for improvement, and Management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Tidewater Renewables and its subsidiaries.

7. Review risk management policies and procedures of the Company (i.e., hedging, litigation, third-party credit risk, insurance and cybersecurity). In this regard, the Committee shall:

   - Regularly identify and review the principal business risks, including potential emerging risks, of the Company and the actions taken by the Company to mitigate the risks;

   - Regularly identify and review the principal financial risks and exposures of the Company, together with mitigating strategies, including physical and financial positions in commodities markets, derivatives strategies, capital commitments, foreign exchange exposures, and exposure to interest rate fluctuations, as well as non-financial risks and exposures including, but not limited to, risks relating to climate change, environmental and social elements;

   - Regularly review the policies and activities of the Company's treasury and marketing groups and the financial risks arising from those activities, including any proposed authorities of Management from the Board for the hedging of the exposures;

   - Review, and if desirable, recommend changes to the insurance program including coverage for property damage, business interruption and liabilities; and

   - Regularly review and identify information technology, information systems and cybersecurity risks of the Company.

8. Establish a procedure for:

   - the receipt, retention and treatment of complaints received by Tidewater Renewables regarding accounting, internal accounting controls or auditing matters; and

   - the confidential, anonymous submission by employees of Tidewater Renewables of concerns regarding questionable accounting or auditing matters.

9. Review and approve Tidewater Renewables' hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of the Company.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Company. The Committee will also have the authority to investigate any financial activity of Tidewater Renewables. All employees of Tidewater Renewables are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Tidewater Renewables without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote and in such cases, the undecided matter should be referred to the Board as a whole.

2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.

3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

4. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer of Tidewater Renewables will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.

5. The Committee will meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.

6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.

7. The Committee may invite such officers, directors and employees of the Company and its subsidiaries and related corporate entities as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee. At each meeting, the Committee will meet, including with the external auditors, in camera without management present.

8. Minutes of the Committee will be recorded and maintained and circulated to Directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Company as determined by the Committee.

10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee each member will hold such office until the Committee is reconstituted.

11. Any issues arising from these meetings that bear on the relationship between the Board and Management should be communicated to the Chair of the Board by the Committee Chair.

12. In discharging its duties under this Mandate, the Committee may investigate any matter brought to its attention and will have access to all books, records, facilities, and personnel, may conduct meetings or interview any officer or employee, the Company's legal counsel, external auditors and consultants and may invite any such persons to attend any part of any meeting of the Committee.