



## Overview

**Sayer Energy Advisors** has been engaged to assist **Tidewater Midstream and Infrastructure Ltd.** ("Tidewater" or the "Company") with the sale of certain oil and natural gas interests located in the Montney resource play region of northeastern British Columbia (the "Properties").

The Properties offer production potential from multiple reservoirs alongside key Tidewater infrastructure with substantial drilling upside in the Montney Formation.

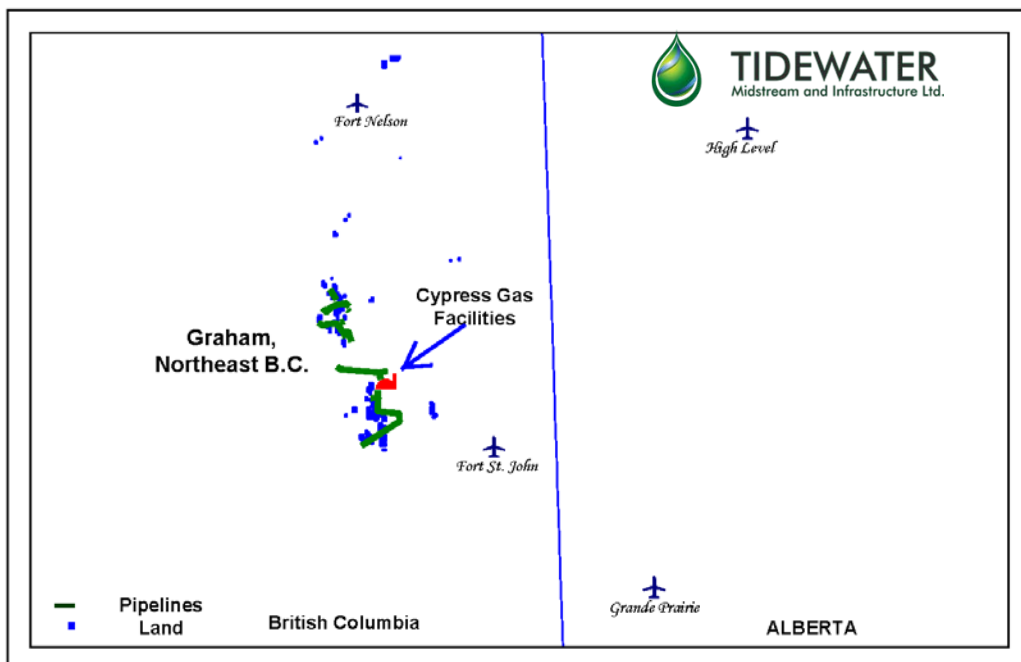
In the *Graham* area of British Columbia, Tidewater holds various working interests in approximately 119,035 gross acres (73,116 net) of land including 21,144 gross acres (13,127 net) of Montney rights. In addition, Tidewater holds various working interests in approximately 18,968 gross acres (13,740 net) of land in *Northeast BC* including 14,641 gross acres (12,725 net) of Montney rights.

The Properties offer access to an extensive facility network with current processing capacity of approximately 45 MMcf/d.

Reactivation of legacy production offers production potential from the Properties of approximately 4-6 MMcf/d of natural gas net to Tidewater. Prior to being shut-in in May 2016, the Properties were producing low decline natural gas primarily from the Debolt, Baldonnel, Jean Marie, Halfway and Boundary Lake formations.

Tidewater intends to retain the infrastructure assets and work with producers on providing full-service midstream solutions. If a party wishes to own a small working interest in the infrastructure, Tidewater would be willing to consider such proposals and requests that proposals include the desired ownership percentage and dollar value ascribed to the infrastructure assets.

### Overview Map Showing Location of the Divestiture Properties





## Graham, Northeast BC Properties

**NTS 94-A/NTS 94-P**

In the *Graham* area of British Columbia, Tidewater holds various working interests in approximately 119,035 gross acres (73,116 net) of land including rights in the 21,144 gross acres (13,127 net) of Montney rights.

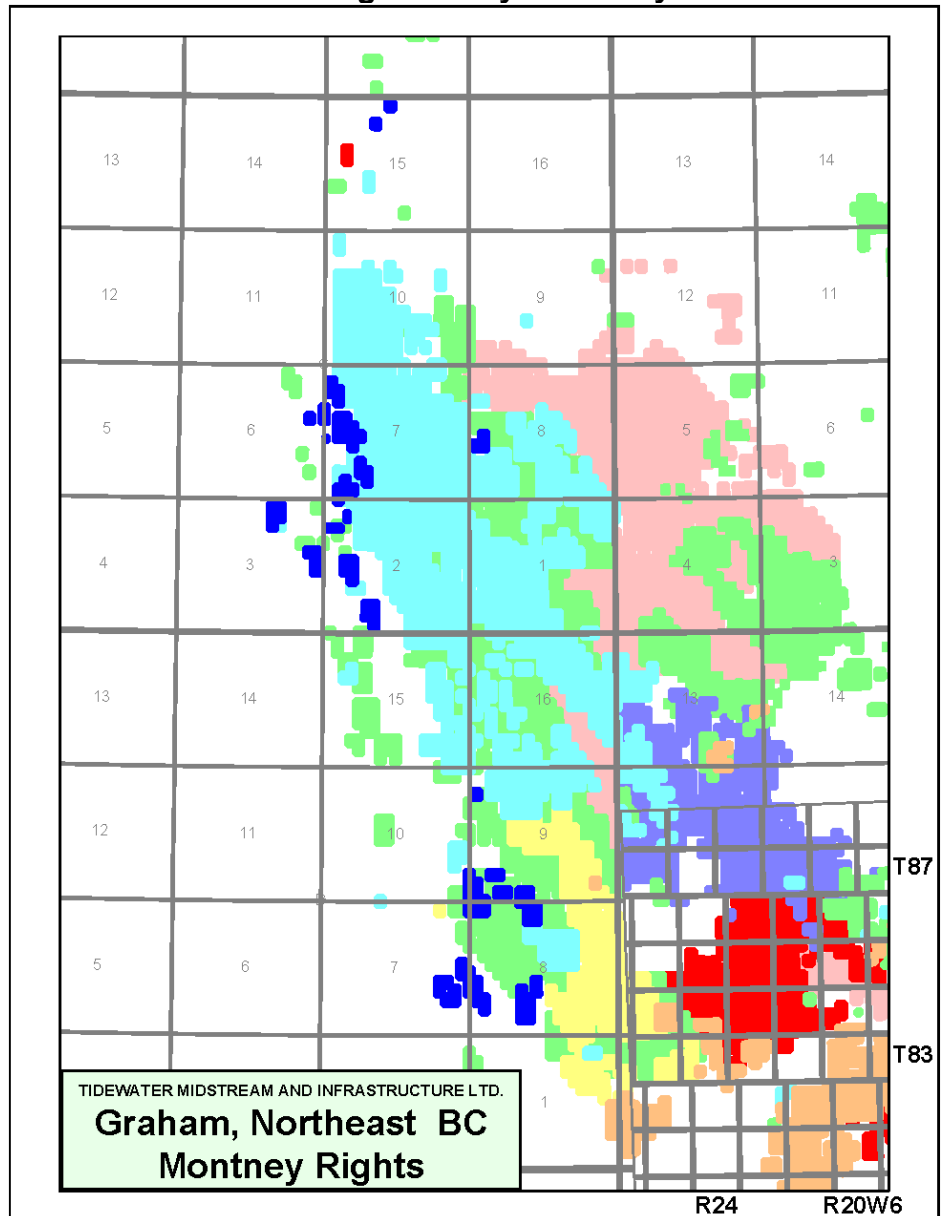
In addition, Tidewater holds various working interests in approximately 18,968 gross acres (13,740 net) of land in *Northeast BC* including 14,641 gross acres (12,725 net) of Montney rights.

The offsetting map shows the most active operators immediately offsetting Tidewater's Montney interests in the area. Active Montney players in the area include **ARC Resources Ltd.**, **Canadian Natural Resources Limited**, **Crew Energy Inc.** and **Tourmaline Oil Corp.**

There has been significant consolidation of Montney rights in the area over the last two years.

Production potential from the Properties is approximately 4-6 MMcf/d of natural gas net to Tidewater. Production associated with the Properties is currently shut-in, although there is potential for reactivation. Prior to being shut-in in May 2016, the Properties were producing low decline natural gas primarily from the Debolt, Baldonnel, Jean Marie, Halfway and Boundary Lake formations.

### Offsetting Montney Area Players



Land Legend	
<b>Lists</b>	
<span style="color: red;">■</span>	Crown - ARC Resources Ltd.
<span style="color: green;">■</span>	Crown - Canadian Natural Resources Limited
<span style="color: blue;">■</span>	Crown - ConocoPhillips Canada Limited
<span style="color: orange;">■</span>	Crown - Crew Energy Inc.
<span style="color: yellow;">■</span>	Crown - Pacific Canbriam Energy Limited
<span style="color: cyan;">■</span>	Crown - PETRONAS Energy Canada Ltd.
<span style="color: pink;">■</span>	Crown - Tourmaline Oil Corp.
<span style="color: darkblue;">■</span>	Crown - Tidewater Montney Rights



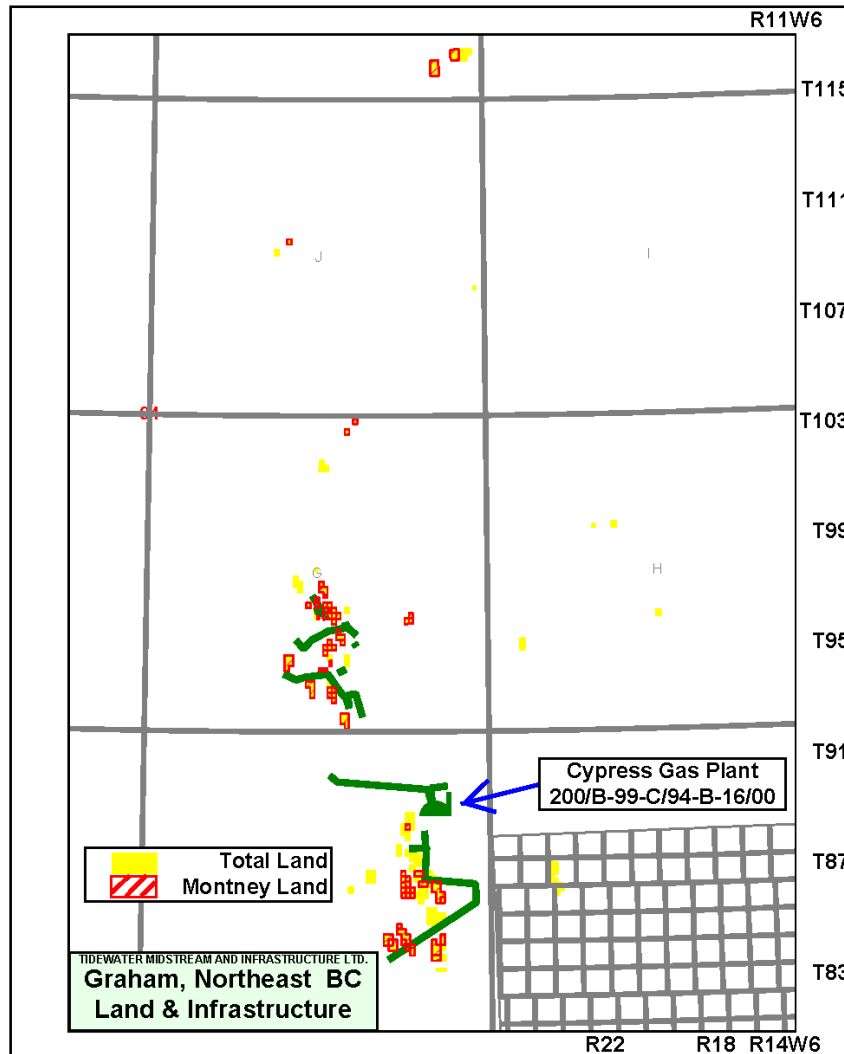


Tidewater's land in the area is shown in the following map with Montney interests highlighted in red.

Tidewater holds a 32% working interest in the Cypress Gas Facilities, including the natural gas gathering system, natural gas sales pipeline and Cypress Sour Gas Plant located at 94-B-16 Block C Unit 99 (B). Capacity of the Cypress Sour Plant is approximately 45 MMcf/d.

Tidewater's ownership in the Cypress Gas Plant and associated gas gathering system is outlined as follows.

The assets include a 100% working interest in a road located at *Komie* which provides Tidewater with intermittent road use revenue. Revenue from road use in 2020 totaled approximately \$3,800.

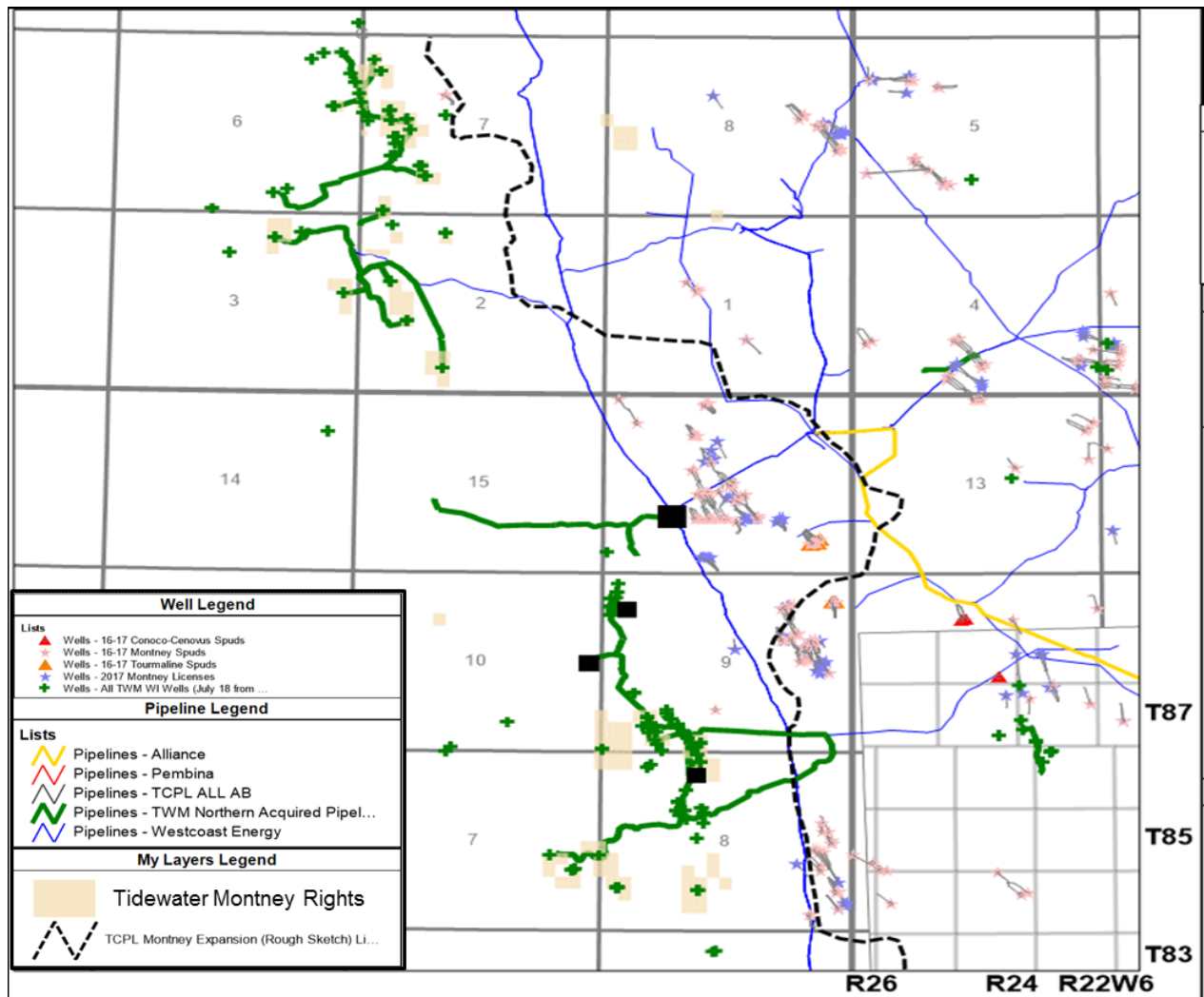


Facility Summary	Tidewater W.I. %	Gross Capacity (MMcf/d)	Net Capacity (MMcf/d)
Cypress Sour Gas Plant	32%	45	14
GGs (mostly 8" lines)	32%	45	14





The image below shows the location of Tidewater's pipelines in relation to the Westcoast Transmission System.



Historical throughput of the Cypress natural gas plant is shown in the following chart. The assets are connected to the Westcoast mainline and offer potential to be connected to the TCPL Montney expansion.

Historical Throughput (MMcf/d)		Utilization
2014	12.1	26.8%
2015	10.1	22.4%
2016	7.9	17.5%
Pipeline Egress / Connectivity		
Current	Westcoast Mainline	
Potential Connection	TCPL Montney Expansion	





## Marketing

There is no T-North firm transportation held at McMahon or Cypress.

The marketing contract for the non-operated assets in northeast British Columbia has expired. The marketing commitment was a Spectra/Fort Nelson North firm service processing and raw natural gas transportation commitment was not fulfilled.

## Reserves

There is no recent third-party reserve evaluation for the Properties. However; the shut-in production, if reactivated, would have reserves associated with it.

## LMR as of October 2021

As of October 2021, Tidewater's net deemed asset value for the Properties was (\$1.6 million) (deemed assets of \$8.1 million and deemed liabilities of \$8.3 million), with an LMR ratio of 0.98.

The deemed asset value of \$8.1 million consists of a Letter of Credit with the **BC Oil and Gas Commission**.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$8,147,834	\$8,326,110	(\$178,276)	0.98

## Well List

See well list in Excel.

