

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Tidewater Midstream and Infrastructure Ltd. ("Tidewater" or the "Corporation")
Suite 1110, 505 - 3rd Street SW
Calgary, AB T2P 3E6

2. **Date of Material Change**

June 2, 2015

3. **News Release**

A press release was disseminated on June 2, 2015 via Marketwired

4. **Summary of Material Change**

The Corporation Announced and Acquisition and Financing

5.1 **Full Description of Material Change**

The Corporation announced that it has entered into an agreement with private company vendors (the "Vendor") to acquire their 63% operated working interest in a gas processing facility in West Pembina and related pipelines (the "Assets") located in the West Pembina region in central Alberta (the "Acquisition") for \$180 million. The \$180 million is comprised of \$170 million in cash and \$10 million in Tidewater common shares (each share valued at the Offering (as defined herein) price of \$1.35).

Acquisition Overview

The Acquisition is one of the largest natural gas processing facilities in the Pembina area, with an operating capacity of 185 million cubic feet per day and current throughput of approximately 140 million cubic feet per day. The Assets have the capability to process sweet and sour throughput and have area leading deep-cut gas processing capability. Additionally, the Assets are connected to producers through approximately 390 km of gathering pipeline systems and to end markets through takeaway NGL and crude pipeline systems.

The Acquisition is subject to standard closing conditions customary for a transaction of this type, including the approval of the TSX Venture Exchange ("TSX-V").

Equity Financing

In connection with the acquisition, Tidewater announced that it has entered into an agreement with CIBC World Markets Inc. ("CIBC") and Macquarie Capital Markets Canada Ltd. ("Macquarie" and together with CIBC, the "Underwriters") pursuant to which the Underwriters will purchase for sale 118,519,000 subscription receipts ("Subscription Receipts") at an issue price of \$1.35 per Subscription Receipt, on a bought deal basis for aggregate gross proceeds of \$160,000,650 (the "Base Offering"). Additionally, the Corporation has granted a broader syndicate of underwriters co-led by CIBC and Macquarie an option to purchase, on the same terms as the Base Offering, up to an additional 37,038,000 Subscription Receipts for additional aggregate gross proceeds of up to \$50,001,300 (the "Underwriters' Option" and, together with the Base Offering, the "Offering"). The Underwriters' Option is exercisable, in whole or in part, at any time and from time to time, by notice to the Corporation up to 48 hours prior to the closing of the

Offering. The aggregate gross proceeds that may be raised under the Offering is \$210,001,950 should the Underwriters' Option be exercised in full. Net proceeds from the Offering will be used to partially finance the Acquisition, fund future acquisitions and for general corporate purposes.

Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration, one Tidewater common share upon completion of the Acquisition. The gross proceeds from the sale of the Subscription Receipts will be held by an escrow agent and invested in short term obligations issued or guaranteed by the Government of Canada (or other approved investments) pending satisfactory completion of all conditions to the Acquisition (other than the funding of the purchase price). Upon completion of such conditions, the escrowed funds will be releasable to fund the purchase price. If the closing of the Acquisition does not occur, the Acquisition is terminated or the Corporation has advised the Underwriters or announced to the public that it does not intend to proceed with the Acquisition, in any such case, on or before 10:00 a.m. (Calgary time) on August 31, 2015, the escrow agent will return to the holders of Subscription Receipts an amount equal to the offering price as well as their pro rata entitlements to interest earned on such amount.

Closing of the Offering is subject to customary conditions and regulatory approvals, including the approval of the TSX-V.

Dividend Policy

Subject to the completion of the Acquisition, Tidewater's board of directors (the "Board") has conditionally approved the payment of annual dividends. The annual dividend will initially be set at \$0.04 per Tidewater common share and be paid quarterly. The conditions to the payment of each of such dividend include: (i) the Board's determination, at the appropriate time, that the declaration of a dividend is in the best interests of Tidewater and Tidewater's shareholders, and (ii) compliance with all applicable laws, regulations and agreements. Assuming the Acquisition closes by June 30, 2015, Tidewater expects to pay the first of such dividends to shareholders of record as at September 30, 2015 on October 30, 2015.

Tidewater Overview

Tidewater is a public company listed on the TSX-V that was formed to pursue the purchase, sale, and transportation of NGLs and related infrastructure throughout North America and export to overseas markets.

Cautionary Notes

The Corporation's Business

In connection with the execution of the Corporation's intended business plan, the Corporation has entered into: (i) a letter agreement to acquire five railcars in connection with its initial public offering; (ii) an agreement with a senior integrated oil and gas producer to utilize such railcars; (iii) an agreement to lease an additional ten new pressure railcars, which it anticipates taking delivery of in late June 2015; and (iv) the definitive agreements pursuant to the Acquisition. Although Management has no reason to believe that the foregoing transactions will not close, the Corporation is dependent on such transactions for the generation of revenue and, without the completion thereof, the Corporation will have no assets other than cash.

Advisory Regarding Forward-Looking Statements

In the interest of providing Tidewater's shareholders and potential investors with information regarding Tidewater, including management's assessment of Tidewater's future plans and operations, certain statements in this report are "forward-looking statements" within the meaning of the United States *Private Securities Litigation Reform Act* of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "ongoing", "outlook", "potential", "project", "plan", "should", "target", "would", "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this report speak only as of the date thereof and are

expressly qualified by this cautionary statement.

Specifically, this report contains forward-looking statements relating to but not limited to: our business strategies, plans and objectives, the Acquisition, the Offering (and the anticipated use of proceeds thereof), the Corporation's dividend policy. These forward-looking statements are based on certain key assumptions regarding, among other things: the closing of the Acquisition, the closing of the Offering, our ability to execute on our business plan for the Assets; the receipt, in a timely manner, of regulatory and other required approvals for the Offering, the Acquisition and our operating activities; the availability and cost of labour and other industry services; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; and current industry conditions, laws and regulations continuing in effect (or, where changes are proposed, such changes being adopted as anticipated). Readers are cautioned that such assumptions, although considered reasonable by Tidewater at the time of preparation, may prove to be incorrect.

Actual results achieved will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

The above summary of assumptions and risks related to forward-looking statements in this report has been provided in order to provide shareholders and potential investors with a more complete perspective on Tidewater's current and future operations and such information may not be appropriate for other purposes. There is no representation by Tidewater that actual results achieved will be the same in whole or in part as those referenced in the forward-looking statements and Tidewater does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

U.S. Securities Laws

This report does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended, or any state securities laws and may not be offered or sold within the United States unless an exemption from such registration is available.

Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

TSX Venture Exchange

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this report.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

7. Omitted Information

None

8. Executive Officer

The name of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

Joel MacLeod
Chairman, President and CEO
Phone: (403) 719-0499
Email: jmacleod@tidewatermidstream.com

9. **Date of Report**

June 12, 2015