



TIDEWATER RENEWABLES LTD. FILES COUNTERVAILING (ANTI-SUBSIDY) AND ANTI-DUMPING DUTY COMPLAINT TO ADDRESS UNFAIRNESS IN THE CANADIAN RENEWABLE DIESEL MARKET

CALGARY, AB, Jan. 6, 2025 /CNW/ - Tidewater Renewables Ltd. ("Tidewater Renewables" or the "Corporation") (TSX: LCFS) has taken decisive action to protect fair competition in the Canadian renewable diesel market by filing a countervailing (anti-subsidy) and anti-dumping duty complaint (the "Complaint") with the Canada Border Services Agency ("CBSA") at the end of 2024. The Complaint targets unfairly traded imports of renewable diesel from the United States that significantly undermine the Canadian industry.

As previously disclosed, Tidewater Renewables engaged external trade law counsel for the purposes of evaluating legal options to address market distortions caused by unfair U.S. subsidies and dumping practices, including advising on and preparing the Complaint. This action reflects the Corporation's commitment to ensuring a level playing field for its production and sale of renewable diesel and BC LCFS and CFR emission credits.

If Tidewater Renewables is successful in this process, which management believes has a reasonably high likelihood of success, duties valued between \$0.50 and \$0.80 per litre could be imposed at the Canada/U.S. border to counter the subsidized and dumped U.S. renewable diesel imports. This reflects the Corporation's estimates that U.S. renewable diesel imports benefit from an average amount of subsidization and dumping of between 40% to 60%. Tidewater Renewables believes these measures are essential to remedy and offset the significant impact of U.S. subsidies, such as the Blender's Tax Credit and the forthcoming Production Tax Credit, which enable U.S. producers to export renewable diesel to Canada at artificially low prices.

"Tidewater Renewables supports healthy competition in the renewable diesel market but cannot compete in a market severely distorted by foreign subsidies and dumping practices," said Jeremy Baines, Chief Executive Officer of Tidewater Renewables. "Our legal action is necessary to restore fairness in the marketplace, protect our employees and shareholders, and secure the long-term viability of Canada's renewable diesel industry."

In accordance with the *Special Import Measures Act*, CBSA's investigation is expected to proceed swiftly. CBSA may publicly initiate an investigation in February 2025, with preliminary duties potentially being imposed as early as May 2025. Final duties, which will be subject to a ruling by the Canadian International Trade Tribunal, may be imposed by September 2025. If final duties are imposed at the levels expected by management, they would support long-term market stability for Tidewater Renewable's renewable diesel production and its related emission credits.

This important step is part of Tidewater Renewables' broader commitment to supporting Canada's energy transition and ensuring the integrity of the Canadian renewable fuels market.

ABOUT TIDEWATER RENEWABLES

Tidewater Renewables is a multi-faceted, energy transition company. The Corporation is focused on

the production of low carbon fuels, including renewable diesel. The Corporation 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. Tidewater Renewables' objective is to become a leading Canadian renewable fuel producer. The Corporation is pursuing this objective through the ownership, development, and operation of clean fuels projects and related infrastructure, that utilize existing proven technologies. Additional information relating to Tidewater Renewables is available on SEDAR+ at www.sedarplus.ca and at www.tidewater-renewables.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "intend", "project", "would", "could", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in the forward-looking statements used herein are reasonable, but no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included in this press release should not be unduly relied on.


In particular, this press release contains forward-looking statements concerning the Complaint and the expected process, timing, results and impact thereof, including the Corporation's assessment of its likelihood of success and the potential duties which could be imposed on U.S. imports of renewable diesel, based on available information and advice from its advisors, as well as the effect and impact of such duties on the renewable diesel market and related emissions credit markets in Canada and the long-term marketability of the Corporation's renewable diesel products.

Although the forward-looking statements contained in this press release are based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure shareholders, investors or other parties that actual results will be consistent with these forward-looking statements. Any forward-looking statements contained in this press release represent expectations as of the date of this press release and are subject to change after such date. However, the Corporation is under no obligation (and the Corporation expressly disclaims any such obligation) to update or alter any statements containing forward-looking information, the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. With respect to the forward-looking statements contained in this press release, the Corporation has made assumptions regarding the process, timing, results and impact of the Complaint and potential remedies arising from the same; the amount of subsidization and dumping of U.S. renewable diesel imports; and the impact of imposed Canadian duties on the renewable diesel market and related emissions credit market in Canada and the long-term positive impact on the Corporation's products and business.

In addition, the Corporation is subject to a number of risks and uncertainties, many of which are beyond the Corporation's control. Such risks and uncertainties include the factors discussed under "Risk Factors" in the Corporation's annual information form for the year ended December 31, 2023 and its most recent management's discussion and analysis. In addition, if no duties or other actions are taken by the CBSA as a result of the Complaint or such duties or actions are not imposed or taken on a timely basis, this could have a significant adverse impact on the Corporation's business and objectives.

All the forward-looking statements in this press release are qualified by the cautionary statements herein. Further information about factors affecting forward-looking statements and management's assumptions and analysis thereof is available in filings made by the Corporation with Canadian securities commissions available on SEDAR+ at www.sedarplus.ca.

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