For the water, just make a really big plane and fill that with the water texture. Cut out holes for the islands and tunnels ect, anything that goes below sea level. The point of perspective will do the rest and create a 'horizon' effect.

For the texture, any other file extention apart from .tga or .dds WILL NOT WORK on the Renegade engine. Textures need to be applied to the material in the editing suite and the file name gets exported with the w3d file.

Again. The Renegade engine only supports .tga or .dds textures. Any different and you'll just get the missing texture cameo (wwskin, white bg with ww logo in).