Creating a Sustainable Business

First Energy Capital – Energy Growth Conference
November 2015

TVE: TSX
www.tamarackvalley.ca
Forward Looking Information

Certain information included in this presentation constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project” or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this presentation may include, but is not limited to, (i) potential development opportunities and drilling locations, expectations and assumptions concerning the success of future drilling and development activities, the performance of existing wells, the performance of new wells, decline rates, recovery factors, the successful application of technology and the geological characteristics of properties, (ii) cash flow, (iii) oil & natural gas production growth, (iv) debt and bank facilities, (v) primary and secondary recovery potentials and implementation thereof, (vi) potential acquisitions, (vii) drilling, completion and operating costs, and (viii) realization of anticipated benefits of acquisitions.

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Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

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This presentation contains the term “net backs” which is not a term recognized under IFRS. This measure is used by the proposed management to help evaluate corporate performance as well as to evaluate acquisitions. Management considers net backs as a key measure as it demonstrates its profitability relative to current commodity prices. Operating net backs are calculated by taking total revenues and subtracting royalties, operating expenses and transportation costs on a per BOE basis.

BOE Disclosure

The term barrels of oil equivalent (“BOE”) may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

In this presentation: (i) mcf means thousand cubic feet; (ii) mcf/d means thousand cubic feet per day (iii) mmcf means million cubic feet; (iv) mmcf/d means million cubic feet per day; (v) bbls means barrels; (vi) mbbls means thousand barrels; (vii) mmbbls means million barrels; (viii) bbls/d means barrels per day; (ix) bcf means billion cubic feet; (x) mboe means thousand barrels of oil equivalent; (xi) mmboe means million barrels of oil equivalent and (xii) boe/d means barrels of oil equivalent per day. This presentation is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.
What Sets TVE Apart from its Peers

• Motivated, Experienced Team
  • Been through 5 downturns and realize great opportunities arise from these times
  • Management and staff compensation tied to performance measured by: full-cycle ROR; lifting costs, per share metrics, must out perform peers

• Downside Protection
  • Strong balance sheet – 1.8x debt to cash flow
  • Hedging program
  • High netbacks – owned infrastructure

• Sustainable business model
  • Wilson Creek Cardium – top 10th percentile of WCSB plays
  • 5 years of 1.5 year or less payout drilling inventory at current commodity prices

• Credibility
  • 15 quarters of meeting or exceeding guidance
  • Reporting transparency
  • Deliver what we say

... Companies that out perform coming out of downturns do so by positioning themselves during the downturn
Current Volatile Environment

- Commodity price uncertainty
  - Crude oil prices lowest in 5+ years
  - Record NGL inventories causing lowest prices in 5+ years
- AB royalty uncertainty
  - Alberta royalty review process underway
- TCPL transportation uncertainty
  - Periodic unscheduled downtime
  - Firm service shortage in some areas in Alberta
- Government policy uncertainty
  - Federal election in fall 2015
  - Alberta environmental policy under review

... Despite the current volatile environment that we are in, TVE has continued to attain self-sustainability.
Tamarack - Creating a Sustainable Business

Reduce Operating and G&A Costs

Create Self Sustainability and Build Value

Manage Capital Allocation

Add Low Cost, High Impact Drilling Inventory that Works at Current Commodity Prices

Maintain Liquidity on Bank Lines

Manage Risk through a Hedging Program

... This plan has resulted in building a sustainable, resilient company.
Break-even Economics

What oil price do each company’s core plays need to achieve a 15% return?
Oil plays by break-even price – mid-cycle, 15% hurdle rate (C$/bbl Edm Par)

Note: Break-evens for heavy oil plays are to the Edm Par light oil benchmark and assumes a $12 differential to WCS (equivalent to the YTD average).
Source: geoSCOUT; company reports; CIBC World Markets Inc.
Internal Rates of Returns

Which companies and oil plays offer the best returns?

Oil plays by IRR

Source: geoSCOUT; company reports; CIBC World Markets Inc.
Why Do Cardium Well Results Vary So Much?

- Total gross pay: 15 – 20 meters
- Net pay: 9 – 10 meters 0.5 md or less
- Conglomerate: 1.5 – 2 meters 10 – 400 md
- High perm pay (9%) 2 – 3 meters 1 – 10 md

... Rates are typically 2x in Wilson Creek compared to most industry Cardium.
Well Performance Based on Geology

**Tier 1 – 4 wells**

- Type curve
- Actual cum production
- Daily production tests
- Average daily production

**Tier 2 – 2 wells**

- Type curve
- Actual cum production
- Daily production tests
- Average daily production

9% Porosity (green = 2+ meters)

Legend:
- Tier 1 wells
- Tier 2 wells
Q4 2014 & 2015 Well Performance

**Tier 1**

- **Type curve**
- **Individual wells**
- **13 well average**

**Tier 2**

- **Type curve**
- **Individual wells**
- **6 well average**
Capital Allocation Criteria

**Economics**

- Costs cuts in 2015 have resulted achieving similar economics at $70/bbl Edm Par as achieved at $95/bbl in 2014.
- Continue to allocate capital to 1.5 year payouts or less at current prices.
- Recycle ratio @$70 = 3.2, $60 = 2.7, $50 = 2.3

**Recycle Ratio**

- 1-mile well
- Operating expense cost cut
- Benefit of long reach well
- 1.5 mile well - $60/bbl

**Budget Assumptions**

<table>
<thead>
<tr>
<th>Budget Assumptions</th>
<th>1 mile well</th>
<th>1.5 mile well</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX ($m)</td>
<td>2,385</td>
<td>2,945</td>
</tr>
<tr>
<td>Net reserves (mboe)</td>
<td>124</td>
<td>189</td>
</tr>
<tr>
<td>IP30 (boe/d)</td>
<td>303</td>
<td>455</td>
</tr>
</tbody>
</table>

**NPV10BT**

- 1 mile well: $2.9 mm, PO: 0.8 yrs
- 1.5 mile well: $2.4 mm, PO: 0.8 yrs
- 1 mile well: $2.1 mm, PO: 1.0 yr
- 1.5 mile well: $1.1 mm, PO: 1.5 yrs

**TVE H2/15 hedges**

- NPV10BT: $3.8 mm, PO: 0.6 yrs
- NPV10BT: $2.9 mm, PO: 0.6 yrs
- NPV10BT: $2.4 mm, PO: 0.8 yrs

**TVE Q1/16 hedges**

- NPV10BT: $1.8 mm, PO: 1.0 yr
- NPV10BT: $1.1 mm, PO: 1.5 yrs
Control What We Can Control - Costs

Operating Costs

- Wilson Creek op costs down 42% from Q3/14 to Q2/15, down 55% from previous operator
- Corporate opex down 26% from Q3/14 to Q2/15
- Wilson Creek op costs increased in Q3/15 due to integration of newly acquired assets

Capital Costs

- Almost all new wells to be 1.5 miles long
- YTD costs down 22% (13% due to service costs reductions, 9% to permanent design changes)
- Adding frac stages; per stage costs are down 40%
- More cost cuts anticipated

* Excluding operating leases entered into Dec/14
The Evolution of a Core Area

Entry in 2013
- 42 net sections (10 sec with Cardium pay)
- 16 locations

September 2015
- 200 sections
- 171 locations
- 2 gas plants
- 4 oil batteries
- Over 400 km of pipeline infrastructure

... TVE has increased drilling inventory by 10x since 2013.
... TVE has 5 years of drilling inventory without any additional tuck-ins at $50/bbl, keeping production flat at 9,000 boe/d.
## Tamarack Profile – TVE : TSX

### Corporate

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding* (mm)</td>
<td>99.93</td>
</tr>
<tr>
<td>Fully diluted* (mm)</td>
<td>104.53</td>
</tr>
<tr>
<td>Share price Nov 10/15</td>
<td>$2.95</td>
</tr>
<tr>
<td>Market cap ($mm)</td>
<td>$295</td>
</tr>
<tr>
<td>Est. enterprise value ($mm)</td>
<td>$400</td>
</tr>
<tr>
<td>Available bank line ($mm)</td>
<td>$165</td>
</tr>
<tr>
<td>Debt at Sept 30, 2015 ($mm)</td>
<td>$105.8</td>
</tr>
</tbody>
</table>

### Operational

<table>
<thead>
<tr>
<th>Metric</th>
<th>2013</th>
<th>2014</th>
<th>2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (boe/d)</td>
<td>3,276</td>
<td>5,717</td>
<td>8,200 - 8,300</td>
</tr>
<tr>
<td>Exit Q4 avg. prod’n (boe/d)</td>
<td>4,718</td>
<td>7,681</td>
<td>9,500 – 9,700</td>
</tr>
<tr>
<td>% Liquids</td>
<td>60</td>
<td>62</td>
<td>55 - 60</td>
</tr>
<tr>
<td>Cash flow ($mm)</td>
<td>38.2</td>
<td>66.2</td>
<td>n/a</td>
</tr>
<tr>
<td>Capital ($mm)</td>
<td>57.5</td>
<td>153.9</td>
<td>70 – 75*</td>
</tr>
<tr>
<td>Exit debt to cash flow</td>
<td>2.0</td>
<td>1.7</td>
<td>1.75</td>
</tr>
</tbody>
</table>

* Excludes the property acquisition in Wilson Creek for $55 million that closed on June 15, 2015

- EV/boepd less than $48,500 boepd on 2015 average and $42,000 on Q4/15 exit
- H2 2015 price assumptions: WTI $45/bbl $53.50/bbl Edm Par, $2.75/GJ AECO, $0.77 Cdn dollar
- Debt expected to remain quite flat from YE/14 levels in the $115-120 million range
- 2015 CAPEX includes $48-60 million capex in H2/15; Full year $117-130 million
- Q4/15 to Q4/14 production per share growth is expected to be 5-7% using WASO fully diluted

... Tamarack will adjust spending levels as commodity prices change.
Protecting Future ROR through Hedging Oil Volumes

Hedged to 60-70% net of royalties of Sept/15 prod’n

25% of current prod’n net of royalties

H2/15 Avg. $78.85/bbl

2016 Avg. $76.16/bbl

... Tamarack has hedged 70-75% of it’s oil production net of royalties through to the end of Q2/16 at $76-78/bbl Cdn WTI.
Achieving Production Per Share Growth, While De-Levering

- H2 2015 estimates based on achieving production guidance.

Completed:
- $60 mm equity financing
- Echoex Ltd. acquisition
- Sure Energy acquisition
- RTO of Tango Energy

Debt per boe/d prod’n decreased by 42%

Prod’n per share growth 19.8%

... TVE decreased debt per boe/d and increased production per share while significantly building high quality drilling inventory.

* H2 2015 estimates based on achieving production guidance.
Debt to CF Sensitivity at 9,000 boe/d & 55% Liquids

... Even at $50 WTI 2016 yearend debt to cash flow is <2.0 times and at $65/bbl WTI is 1.0 times.
... Tamarack’s resilient assets generate free cash flow at $50/bbl WTI and over $20 million free cash flow at $65/bbl WTI.
<table>
<thead>
<tr>
<th>Key 6 Month Objectives and Look-back</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What we said we would do</strong></td>
</tr>
<tr>
<td>Deliver 8,000 boe/d in Q1/15.</td>
</tr>
<tr>
<td>Cut capital costs further and plan to deliver Q4/15 drilling program that will improve ROR at current commodity prices.</td>
</tr>
<tr>
<td>Evaluate low cost tuck-in acquisitions in Wilson Creek to take advantage of high netback, infrastructure and control.</td>
</tr>
<tr>
<td>Evaluate waterflood implementation for high permeable Cardium in Wilson Creek.</td>
</tr>
<tr>
<td>Review operating costs in all areas starting with core areas.</td>
</tr>
<tr>
<td>Evaluate benefits of monetizing infrastructure to enhance shareholder value while maintaining operatorship.</td>
</tr>
<tr>
<td>Complete 2014 year end reserves and disseminate the results to the market.</td>
</tr>
</tbody>
</table>

Integrate the new assets and optimize infrastructure. Cut costs on new operations.

What we said we would do

- Deliver 8,000 boe/d in Q1/15.
- Cut capital costs further and plan to deliver Q4/15 drilling program that will improve ROR at current commodity prices.
- Evaluate low cost tuck-in acquisitions in Wilson Creek to take advantage of high netback, infrastructure and control.
- Evaluate waterflood implementation for high permeable Cardium in Wilson Creek.
- Review operating costs in all areas starting with core areas.
- Evaluate benefits of monetizing infrastructure to enhance shareholder value while maintaining operatorship.
- Complete 2014 year end reserves and disseminate the results to the market.

What we did in Q1 2015 / Q2 2015...

- Q1/15 averaged 8,092 boe/d.
- Capital costs estimated to be 20% lower than 2014 actuals.
- Executed 3 one-off tuck-in deals ($54 million); now 116 high ROR locations.
- Finish modelling of reservoir. Next steps: -Economic feasibility -Source water
- OPEX/boe Wilson Creek $17.53 Q2/14 → $8.00 Q1/15 OPEX/boe Hatton $27.50 → $20.00
- One infrastructure deal completed for $25 million.
- Reported reserves.

Objectives for Q3 2015 / Q4 2015...

- Cautiously proceed with drilling program to exit @ 9,200 to 9,500 boe/d while protecting balance sheet to keep optionality for M&A.
- Continue cost focus for an addition 5% cut in capital costs and reduce op costs/boe in Hatton further. $20.00 → $18.00
- Integrate the new assets and optimize infrastructure. Cut costs on new operations.
- Create a hedging program to protect the drilling economics going above previously adapted limits.
- Become active to influence the AB royalty review to protect the company’s valuation.
- Deliver drilling commitments to major and build good will to expand opportunities.
- Continue to look for M&A respecting TVE’s M&A criteria.
- Install a new information retinal system to integrate software and keep TVE staff count low (G&A). Gain CSOX compliance for TSX graduation.
Why Buy/Continue to Own Tamarack?

- **Resilient assets** in low commodity price environment
  - Preserves a solid balance sheet
  - As commodity prices improve, TVE high quality inventory will be economic earlier than most inventory

- **TVE has a plan** to deal with lower commodity prices that was implemented in early Nov/14

- A junior company with an “intermediate like” land base

- **Solid balance sheet** that supports positioning for strong growth when prices recover

- Experienced and committed management team that reacted quickly to changing times to protect shareholder downside and at the right time can grow this company several times larger

- Current price of entry represents good value
# Revised 2015 Budget – Financial Stats per BOE

<table>
<thead>
<tr>
<th></th>
<th>2014 Actuals</th>
<th>2015 Budget</th>
<th>9 month 2015 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average pricing</td>
<td></td>
<td>$49.15/bbl WTI</td>
<td>$51.00/bbl WTI</td>
</tr>
<tr>
<td>Edm Par</td>
<td>$94.09/bbl</td>
<td>$56.75/bbl</td>
<td>$58.62/bbl</td>
</tr>
<tr>
<td>AECO (monthly index)</td>
<td>$4.40/GJ</td>
<td>$2.70/GJ</td>
<td>$2.62/GJ</td>
</tr>
</tbody>
</table>

$/boe

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>60.38</td>
<td>36.13</td>
<td>36.20</td>
</tr>
<tr>
<td>Royalties</td>
<td>7.78 (12.9%)</td>
<td>3.75 (10.4%)</td>
<td>3.69 (10%)</td>
</tr>
<tr>
<td>Operating costs</td>
<td>13.68</td>
<td>12.00</td>
<td>11.77</td>
</tr>
<tr>
<td>Operating lease</td>
<td>n/a</td>
<td>1.23</td>
<td>1.30</td>
</tr>
<tr>
<td>Operating income</td>
<td>38.92</td>
<td>19.15</td>
<td>19.44</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>3.11</td>
<td>2.60 to 2.80</td>
<td>2.52</td>
</tr>
<tr>
<td>Interest &amp; Transaction costs</td>
<td>1.21</td>
<td>3.40 to 3.60</td>
<td>2.35</td>
</tr>
<tr>
<td>Hedge (gains) / losses</td>
<td>1.06</td>
<td>(5.10)</td>
<td>(4.61)</td>
</tr>
<tr>
<td>Cash flow</td>
<td>33.54</td>
<td>17.85 to 18.25</td>
<td>19.18</td>
</tr>
</tbody>
</table>

... Wilson Creek tuck-in acquisition created critical mass that resulted in reduced Opex/boe and G&A/boe from 2014 levels.
## Current Oil Hedges as at September 30, 2015

<table>
<thead>
<tr>
<th>Term</th>
<th>Hedge type</th>
<th>Counterparty</th>
<th>Volume</th>
<th>Cdn Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2015 to August 31, 2015</td>
<td>WTI fixed price</td>
<td>Macquarie Bank</td>
<td>2,000 bbls/d</td>
<td>Cdn $79.68/bbl</td>
</tr>
<tr>
<td>September 1 to September 30, 2015</td>
<td>WTI fixed price</td>
<td>Macquarie Bank</td>
<td>2,400 bbls/d</td>
<td>Cdn $79.10/bbl</td>
</tr>
<tr>
<td>October 1, 2015 to December 31, 2015</td>
<td>WTI fixed price</td>
<td>Macquarie Bank</td>
<td>2,800 bbls/d</td>
<td>Cdn $78.24/bbl</td>
</tr>
<tr>
<td>January 1, 2016 to March 31, 2016</td>
<td>WTI fixed price</td>
<td>Macquarie Bank</td>
<td>2,600 bbls/d</td>
<td>Cdn $76.19/bbl</td>
</tr>
<tr>
<td>April 1, 2016 to June 30, 2016</td>
<td>WTI fixed price</td>
<td>Macquarie Bank</td>
<td>2,400 bbls/d</td>
<td>Cdn $76.21/bbl</td>
</tr>
<tr>
<td>July 1, 2016 to September 30, 2016</td>
<td>WTI fixed price</td>
<td>Macquarie Bank</td>
<td>1,200 bbls/d</td>
<td>Cdn $76.86/bbl</td>
</tr>
<tr>
<td>October 1, 2015 to December 31, 2016</td>
<td>WTI fixed price</td>
<td>Macquarie Bank</td>
<td>900 bbls/d</td>
<td>Cdn $75.00/bbl</td>
</tr>
<tr>
<td>July 1, 2015 to September 30, 2015</td>
<td>AECO fixed price swap</td>
<td>RBC &amp; NBC</td>
<td>7,000 GJ/d</td>
<td>Cdn $2.73/GJ</td>
</tr>
<tr>
<td>October 1, 2015 to December 31, 2015</td>
<td>AECO fixed price swap</td>
<td>RBC</td>
<td>5,000 GJ/d</td>
<td>Cdn $3.06/GJ</td>
</tr>
<tr>
<td>January 1, 2016 to March 31, 2016</td>
<td>AECO fixed price swap</td>
<td>RBC</td>
<td>5,000 GJ/d</td>
<td>Cdn $3.06/GJ</td>
</tr>
</tbody>
</table>

**Assumptions:**

US dollar hedges were converted to Cdn dollars using strip exchange rates as of September 30, 2015.
What Successful Companies Do in a Downturn

High cost, low commodity
Poorest economics

Reality sets in
Period to negotiate contracts

Price recover with lower costs locked in
Deploy capital

Pumping costs

Drilling day rates

Cdn rig count – 56%

Crude prices

$98-$100/bbl WTI

46%

$45-50/bbl WTI

30-40%

M&A Bid/Ask Spread Wide ➔ M&A Bid/Ask Spread Narrows
Stop spending capital ➔ Only invest in high ROR projects

... Successful companies will deploy capital at the right stage.
Wilson Creek 2015 Tuck-in Acquisition Overview

What We Bought

- Acquisition price: $54 million
- Production (45% liquids): 1,450 boe/d
- Decline rate: 20%
- Land: 128 sections (88 net)
- Reserves:
  - PDP (44% liquids): 3.47
  - Proved (43% liquids): 5.75
  - 2P (43% liquids): 6.44
  - RLI: 12.2
- Drilling inventory: 70 locations
  (Including 40 one-mile equivalent less than 1.5 year payout)
- Infrastructure replacement cost: $60 million
- Operating netback at closing: $22.97/boe
- Facilities included:
  - 100% ownership of 6 mmcf/d gas plant with re-fridge
  - 1,000 bbls/d capacity central oil battery pipeline connected to Pembina pipeline
  - 220 km of pipeline infrastructure
  - 3 minor oil batteries / pump stations

Strategic Rationale

- Three separate one-off deals
- Blocky contiguous lands allow for more long reach development
- Additional infrastructure will result in lower costs and higher netbacks

Acquisition Metrics

(assume no value for undeveloped land)

- Flowing: $37,000 / boepd
- Proved reserves: $9.37 / boe
- 2P reserves: $8.37 / boe
- Proved PV10: 0.5
- 2P PV10: 0.5
- Current CF multiple: 4.4x
- 2P recycle ratio: 2.7