This presentation may contain forward looking information. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on this forward-looking information.

In this presentation, production is stated in barrels of oil equivalent ("BOE") using a six to one conversion basis when converting thousands of cubic feet of natural gas to barrels of oil and a one to one conversion basis for natural gas liquids. Such conversion may be misleading, particularly if used in isolation. A 6:1 conversion ratio is based on energy equivalence between natural gas and oil at the burner tip and does not represent economic equivalence at the wellhead or point of sale.

The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.
Introducing Tamarack Valley Energy

We are a junior oil and gas company focused on increasing liquids production and reserves through the identification and operation of properties throughout Western Canada.

...We have a balanced drilling portfolio and a committed management team with significant personal investment. The right ingredients to build a strong company.
Key Messages

• TVE is positioned to direct capital to the drill bit in 2012
• Evaluated water vs. oil fracs in Cardium – identified additional upside on all future Cardium drills; early success at Buck Lake
• Capital allocated to new areas in Q4/11 & Q1/12 to de-risk:
  – Initial well drilled in Q1/12 on Alberta shallow Viking oil play
  – Heavy oil 3D shoot in Q4/11, combined with existing 2D data identified large multi-well features; go-forward costs to evaluate is low
• TVE has a sizable, high quality, and diverse drilling inventory to fuel production growth – TVE will shift capital to low GOR oil plays
• Minor gas production shut-ins in Q1/12 due to low prices
Four Play Strategy

- Identify
- Acquire land and seismic
- De-risk and optimize
- Reduce costs, build production and reserves

Lochend / Garrington
Buck Lake
Viking Oil
Heavy Oil

... 2011 accomplishments position the company to focus on the drill bit in 2012.
Lochend / Garrington Investment Review

P2 value created: $47.7 million

- Land: $5.3 million
- D&C&E and facility infrastructure: $21.8 million
- Cash flow: $7.7 million

Break-even with proven reserves

P3 value created: $88.5 million

- Possible risked reserves (PV$_{10}$): $40.8 million
- Possible reserves (PV$_{10}$): $33.6 million
- Proven reserves (PV$_{10}$): $33.5 million

Total investment: $27.1 million

... The most mature TVE play should provide a 3.3X return for shareholders.
The Tamarack Team

Management

- Brian Schmidt, President & CEO
- Ron Hozjan, VP Finance & CFO
- Niels Gundesen, VP Engineering
- Ken Cruikshank, VP Land
- Kevin Screen, VP Production & Operations
- Dave Washenfelder, Exploitation Manager
- Scott Reimond, Exploration Manager

Board of Directors

- Floyd Price, Chairman
- Anthony Lambert
- Dean Setoguchi
- David Mackenzie
- John Gunn
- Brian Schmidt

- Reserve Evaluators – InSite Petroleum Consultants Ltd.
- Legal – Osler, Hoskin & Harcourt LLP
- Auditors – KPMG LLP
Tamarack Valley Competitive Advantage

- Established track record of accessing First Nations lands and impact drilling deals with major oil companies
- Consistent delivery of drilling results – technical team drilled thousands of wells on many plays at Apache
- Unique, stringent and disciplined risk management process that maximizes returns for shareholders
- Management can handle a much larger entity – if the right thing for TVE shareholders is to grow to 10,000+ boepd then the capability exists
- Up to date on technology used to find and exploit tight reservoirs
## TVE Capital Structure

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent trading range</td>
<td>$0.31 - 0.33</td>
</tr>
<tr>
<td>Market cap</td>
<td>$63 million</td>
</tr>
<tr>
<td>Q4 2011 est. production, (Q3 – 1,101 boe/d)</td>
<td>1,503 boe/d</td>
</tr>
<tr>
<td>Estimated net debt at December 31, 2012</td>
<td>$8.0 million</td>
</tr>
<tr>
<td>Available bank lines (updated with current gas pricing)</td>
<td>$15.0 million</td>
</tr>
<tr>
<td>P+P reserves, InSite Dec 31, 2011 (81% PV10 from liquids)</td>
<td>5.65 mmboe (48% liquids)</td>
</tr>
<tr>
<td>Undeveloped land (excluding farm-in acreage)</td>
<td>54,800 net acres</td>
</tr>
<tr>
<td>Shares outstanding (basic / fully diluted)</td>
<td>196.75 / 220.1 million</td>
</tr>
<tr>
<td>Ownership by management, directors &amp; employees</td>
<td>10% basic / 21% fully diluted</td>
</tr>
</tbody>
</table>
Resource plays have high:
- **OGIP/OOIP**
  - > 4 mmbbls/section OOIP or 25 bcf/section GIP
  - Either with stacked pay sections or thick single zones
- **Long life reserves**
  - Production profiles demonstrate harmonic decline
- **Target horizons are repeatable and have large scope**
- **Conventional or unconventional**

Initial well to de-risk play - 40% to 60% chance of success will maximize return to shareholders.

To minimize risk, we will develop 4 resource plays; disappointments can be easily carried by winners.

...technology has advanced to open huge opportunities and rejuvenate the basin

...Targeting material, sustainable corporate growth.
Tamarack has delivered on promises to shift to oil weighting
- Oil and associated products now accounts for 81% of PV_{10} value
- With solid oil prone lands oil drilling inventory will increase
Risked Before Tax PAV$_{10}$ ($mm$) – at Jan 1/12

- P+P Reserves at Dec 31/11 PV$_{10}$
- Lochend / Garrington
- Alberta Shallow Viking
- Buck Lake
- Sask Heavy Oil

Jan. 2012

- $369.0mm$  
  - $1.68/share$

Jan. 2012

- $243.1 mm$  
  - $1.10/share$

Jan. 2012

- $122.0$  
  - $42.4$
  - $35.5$
  - $36.0$
  - $94.8$
Four Play Strategy

Resource Play #1
Lochend / Garrington
Cardium Oil
Identified; de-risked, adding production

Resource Play #2
Buck Lake
Cardium Oil
Identified; de-risked; adding production

Resource Play #3
Shallow Viking Oil
Identified; acquired and preparing to de-risk Q1/12

Resource Play #4
Saskatchewan
Heavy Oil
Identified; acquired, seismic Q4/11 and drilling 2012

...Developing four plays provides flexibility, superior returns and risk management.
After 10 months of production the 16-32 well produced over 28,800 bbls of oil at an average rate of 93 bopd and earned $2.73 million of revenue.
Lochend “Sweet Spot” IP30 Calendar Day Prod’n

Lochend water fracs vs. original TVE type curve

GLJ pricing – Jan/12
Un-risked comparison

<table>
<thead>
<tr>
<th></th>
<th>Oil Fracs</th>
<th>Water Fracs</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital ($mm)</td>
<td>4.300</td>
<td>3.900</td>
<td>-10%</td>
</tr>
<tr>
<td>IP30 rate (boe/d) (12% gas)</td>
<td>236</td>
<td>456</td>
<td>+93%</td>
</tr>
<tr>
<td>IP30 oil rate</td>
<td>202</td>
<td>404</td>
<td>+93%</td>
</tr>
<tr>
<td>Reserves (mboe)</td>
<td>156</td>
<td>208</td>
<td>+33%</td>
</tr>
<tr>
<td>ROR (%)</td>
<td>30</td>
<td>118</td>
<td></td>
</tr>
<tr>
<td>BTNPV_{10} ($mm)</td>
<td>1.810</td>
<td>4.290</td>
<td>+137%</td>
</tr>
<tr>
<td>Recycle ratio (over reserve life)</td>
<td>2.2</td>
<td>3.4</td>
<td>+55%</td>
</tr>
</tbody>
</table>

...Field data supports a valuation step change.
- 2011 netbacks in Lochend were approx. $72.40/boe – WTI avg. was $95/bbl
- TVE will switch to slick water frac’s in 2012

<table>
<thead>
<tr>
<th>GLJ pricing – Jan/12</th>
<th>Sweet Spot Per Well</th>
<th>East Well Case</th>
<th>Garr. Well</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cardium wells</td>
<td>9</td>
<td>13</td>
<td>10.5</td>
<td>32.5</td>
</tr>
<tr>
<td>Capital ($mm)</td>
<td>3.900</td>
<td>3.900</td>
<td>3.900</td>
<td>126.8</td>
</tr>
<tr>
<td>IP30 rate (boe/d)</td>
<td>390</td>
<td>200</td>
<td>390</td>
<td></td>
</tr>
<tr>
<td>(12% gas)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves (mboe)</td>
<td>177</td>
<td>132</td>
<td>177</td>
<td>5,170</td>
</tr>
<tr>
<td>ROR (%)</td>
<td>74%</td>
<td>25%</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>BTNPV10 ($mm)</td>
<td>3.100</td>
<td>1.300</td>
<td>3.100</td>
<td>77.4</td>
</tr>
<tr>
<td>Recycle ratio (over reserve life)</td>
<td>2.9</td>
<td>2.1</td>
<td>2.9</td>
<td>2.6</td>
</tr>
</tbody>
</table>

*Lochend & Garrington rate and reserves risked at 85% COS

Prod’n rates are based on peak calendar month basis
**Buck Lake**

- **TVE 75% WI Cardium land**
- **TVE 75% WI excl. Cardium rights**
- **Industry well licenses**
- **Frac'd with oil**
- **Frac'd with water**
- **Cardium vertical oil wells**
- **Cardium vertical gas wells**

**Rock quality**
- **Low**
- **High**

**Upper Cardium Conglomerate**

**Production Data**
- **TVE 3-34 IP15 627 boe/d**
- **TVE 3-35 IP14 1,239 boe/d**
- **IP30 898 boe/d**
- **TVE 4-34 IP30 366 boe/d**
- **TVE 5-24 IP30 109 boe/d**
- **IP30 222 boe/d (prod day)**
- **222 boe/d (mo. 3)**
- **225 boe/d (mo. 2)**
- **112 boe/d (mo. 2)**
- **215 boe/d (mo. 2)**
- **223 boe/d (mo. 2)**
- **215 boe/d (mo. 2)**
- **3-35 PBN**

**Upper Cardium Gas**

**Oil**

**Tamarack Valley Energy**
Buck Lake Development Plan

• Completed first water frac in Q1/12
• Frac down casing and mono-bore technology to reduce costs
• Commence water flood study in 2012
• 75% working interest

GLJ pricing – Jan/12

<table>
<thead>
<tr>
<th></th>
<th>High perm</th>
<th>2 mile</th>
<th>Medium perm</th>
<th>Total net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardium wells</td>
<td>5</td>
<td>4</td>
<td>12</td>
<td>17.25</td>
</tr>
<tr>
<td>Capital ($mm)</td>
<td>3.20</td>
<td>4.35</td>
<td>3.20</td>
<td>72.00</td>
</tr>
<tr>
<td>IP30 (gross boe/d)</td>
<td>480</td>
<td>720</td>
<td>249</td>
<td></td>
</tr>
<tr>
<td>% Gas</td>
<td>47</td>
<td>47</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Reserves (mboe)</td>
<td>181</td>
<td>295</td>
<td>170</td>
<td>4,125</td>
</tr>
<tr>
<td>ROR (%)</td>
<td>74</td>
<td>98</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>BTNPV10 ($mm)</td>
<td>1.900</td>
<td>3.300</td>
<td>1.680</td>
<td>43.000</td>
</tr>
<tr>
<td>Recycle ratio (over reserve life)</td>
<td>2.60</td>
<td>3.30</td>
<td>2.18</td>
<td></td>
</tr>
</tbody>
</table>

*Buck Lake rate and reserves risked at 85% COS

...With the quality of rock - Tamarack lands would have been drilled long ago had it not been for the lake.
Manitou Lake Sparky Channel

<table>
<thead>
<tr>
<th></th>
<th>E Well Case</th>
<th>D Well Case</th>
<th>Full Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net vertical wells</td>
<td></td>
<td></td>
<td>56</td>
</tr>
<tr>
<td>Chance of success</td>
<td>40</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Capital ($mm)</td>
<td>0.650</td>
<td>0.650</td>
<td>36.4</td>
</tr>
<tr>
<td>Peak rate (mo. 5-7) (bbls/d)</td>
<td>26</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>Reserves (mbbls)</td>
<td>27</td>
<td>77</td>
<td>4,300</td>
</tr>
<tr>
<td>ROR (%)</td>
<td>36</td>
<td>220</td>
<td></td>
</tr>
<tr>
<td>BTNPV$_{10}$ ($mm)</td>
<td>270</td>
<td>1,860</td>
<td>104</td>
</tr>
<tr>
<td>Recycle ratio (over reserve life)</td>
<td>1.8</td>
<td>5.3</td>
<td>5.3</td>
</tr>
</tbody>
</table>

North Sparky Channel Feature

Pre-depositional

Post-depositional (Differential Compaction)

Sparky Channel

TVE land
Farm-in lands
TVE locations
3D seismic
2D seismic
Regional Sparky oil pools
Lithic channels
SST filled channels
Manitou Lake Sparky Pool – Map and Analog Pool

### Manitou Lake Sparky Pool

**Analog pool**
- Area (Ha): 631
- OOIP (mmbbls): 31.0
- Average pay (meters): 4
- Peak rate (bbls/d): 708
- Cumulative production (mmbbls): 3.1
- Cumulative EUR (mmbbls): 3.5
- Recovery factor: 11%
- Number of wells: 22
- Cumulative reserves per well (mbbls): 140

**TVE feature**
- Area (Ha): 825
- OOIP (mmbbls): 29.5
- Average pay (meters): 3
- Peak rate (bbls/d): 432
- Cumulative production (mmbbls): 3.5
- Cumulative EUR (mmbbls): 3.5
- Recovery factor: 10%
- Number of wells: 40
- Cumulative reserves per well (mbbls): 75

### South Sparky Bed Feature

- Location: X 10-25-043-28W3
- 03-29-043-27W3
- 04-22-043-27W3

- Oil
- Water

---

...Manitou Sparky success would have a material impact to TVE valuation.
Sask Heavy Oil – First Nations

- Hz heavy oil drilling potential
- Characteristics – analog play, mapable zone, vertical well control, known oil in place
- Initial well 40% COS, up to 24 wells under full development
- Will be de-risked by a competitor before Aug/12

---

**Farm-in lands**
- Potential drilling locations

- Competitor licensed to de-risk

**New producing well**

---

**Heavy oil differential $30/bbl**
- GLJ pricing – Jan/12

<table>
<thead>
<tr>
<th></th>
<th>Well case</th>
<th>Full Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Hz wells</td>
<td>0.850</td>
<td>24</td>
</tr>
<tr>
<td>Capital ($mm)</td>
<td></td>
<td>20.4</td>
</tr>
<tr>
<td>Peak rate (bbls/d)</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Reserves (mboe)</td>
<td>49</td>
<td>1,180</td>
</tr>
<tr>
<td>ROR (%)</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>BTNPV_{10} ($mm)</td>
<td>0.750</td>
<td>18.0</td>
</tr>
<tr>
<td>Recycle ratio</td>
<td>2.2</td>
<td></td>
</tr>
</tbody>
</table>

*Rate and reserves risked at 90% COS*
• Foley Lake is on trend with Redwater
• Area is 30 km north of Ft. Assiniboine
• Not a deep basin environment so a trap is required to avoid water
• Currently winter access but road upgrade cost in not expensive
**Foley Lake Viking Oil Play**

- Vertical wells were all initially un-frac'd
- Sweet spot is characterized by one meter > 22% porosity
- TVE drilled first Hz well in play
- Husky active next to TVE lands
- TVE partnered with a major to acquire lands and exchange technical information
- Husky drilled and cored one offsetting well
- Husky currently preparing to drill second well
- Valuable information was gathered on the play to properly evaluate potential

<table>
<thead>
<tr>
<th>Well</th>
<th>Date drilled</th>
<th>Frac</th>
<th>IP30 prod day (bbls/d)</th>
<th>IP30 calendar day (bbls/d)</th>
<th>Current (bbls/d)</th>
<th>Cum to date (bbls)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-8</td>
<td>1983</td>
<td>No</td>
<td>31</td>
<td>9</td>
<td>3.5</td>
<td>8,160</td>
<td></td>
</tr>
<tr>
<td>1-8</td>
<td>1982</td>
<td>No</td>
<td>21</td>
<td>3</td>
<td>-</td>
<td>150</td>
<td>Acid squeeze</td>
</tr>
<tr>
<td>12-4</td>
<td>1982</td>
<td>No</td>
<td>59</td>
<td>30</td>
<td>5</td>
<td>16,750</td>
<td>1985 frac</td>
</tr>
<tr>
<td>6-4</td>
<td>1973</td>
<td>No</td>
<td>104</td>
<td>49</td>
<td>-</td>
<td>31,200</td>
<td>Acid squeeze</td>
</tr>
<tr>
<td><strong>Vertical wells avg.</strong></td>
<td></td>
<td></td>
<td><strong>48.5</strong></td>
<td><strong>23</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
…The first 285 meters of horizontal section was drilled in medium to high quality reservoir rock.
## Play Characteristics – Redwater vs. Foley Lake

<table>
<thead>
<tr>
<th>Viking Comparison (Sandstone / Siltstone)</th>
<th>Redwater</th>
<th>Foley Lake</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average porosity</td>
<td>18-22%</td>
<td>21-24%</td>
</tr>
<tr>
<td>Permeability (md)</td>
<td>1-50</td>
<td>10-50</td>
</tr>
<tr>
<td>Net pay</td>
<td>2-5 m</td>
<td>1 m</td>
</tr>
<tr>
<td>Average OOIP per section (mmbbls)</td>
<td>5-8</td>
<td>5-8</td>
</tr>
<tr>
<td>API (degrees)</td>
<td>30-37</td>
<td>29</td>
</tr>
<tr>
<td>V well production - IP30 (bbls/d)</td>
<td>15-90</td>
<td>3-50</td>
</tr>
<tr>
<td>V well reserves (mbbls)</td>
<td>10-100</td>
<td>10-35</td>
</tr>
<tr>
<td>Hz well production (avg IP30)</td>
<td>75 bbls/d</td>
<td>70 bbls/d (un-risked)</td>
</tr>
<tr>
<td>NAV/well using $85/bbl and PVBT&lt;sub&gt;10&lt;/sub&gt; ($mm)</td>
<td>1.5 – 2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Inventory at 6 wells per section</td>
<td></td>
<td>68 wells on 25.25 net sec</td>
</tr>
<tr>
<td>Chance of success</td>
<td></td>
<td>60%</td>
</tr>
</tbody>
</table>

...Large mapable resource, demonstrable vertical production and appropriate analog at Redwater with Hz well development.
### Building Credibility - Six Month Review

<table>
<thead>
<tr>
<th>What we said we’d do October 2011…</th>
<th>What we did Q4/11 to Q1/12 …</th>
<th>The next 6 months Q2/12 to Q3/12 …</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop Buck Lake – tie-in BL#2; complete and tie-in BL#3; drill 1-2 more wells</td>
<td>Buck Lake #2 &amp; #3 tied-in and #4 drilled and on production</td>
<td>Approve 2012 budget and disseminate guidance</td>
</tr>
<tr>
<td>De-risk Heavy Oil – drill 2-4 Sask. locations; shoot 3-D</td>
<td>Drilled 4 wells at 50% success; 3-D completed, processed &amp; interpreted</td>
<td>Heavy Oil – drill 2-4 Sask. locations</td>
</tr>
<tr>
<td>De-risk Viking Oil – drill first well in Q1/12 and test</td>
<td>Drilled &amp; tested initial Hz well; JV established; acquired additional lands</td>
<td>Viking Oil – work with partner; review rock core and fluid properties; model frac’s; geo-steering strategy</td>
</tr>
<tr>
<td>“Live within Means” – keep debt &lt;1.0 times cash flow; grow Play #3 once de-risked</td>
<td>Positioned to drill Play #3 – Heavy Oil after spring break-up</td>
<td>“Live within Means” – keep debt at acceptable levels given current commodity prices and the effect to cash flow</td>
</tr>
<tr>
<td>Continue to review M&amp;A opportunities and execute if accretive</td>
<td>Evaluated and submitted some proposals; no hit yet</td>
<td>Build base production with low GOR Cardium wells; drill Lochend 2-29 during spring break-up</td>
</tr>
</tbody>
</table>
Why Invest in TVE?

- Proven, rigorous process to identify, evaluate and operate in multiple resource plays
- Managing risk through a portfolio approach enables us flexibility to achieve targets by redirecting capital to the higher ROR projects
- Key initial assets – internally generated, three de-risked core areas
- Technical and corporate expertise to evolve from a junior oil and gas exploration company to a much larger entity
- Continues to deliver on execution of strategy and building credibility to investors

...Quality committed team, great assets to start with and a solid plan to grow.
Tamarack Valley Energy
1800, 407 – 2\textsuperscript{nd} Street SW
Calgary AB T2P 2Y3
Tel: 403.263.4440
www.tamarackvalley.ca
info@tamarackvalley.ca
Corporate Presentation