



TSX VENTURE: TVE

## **Tamarack Valley Energy Ltd. Announces a Record Current Production Rate, Increased Drilling Activity and Additions to Drilling Inventory**

**Calgary, Alberta – October 14, 2014** – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce an operational update with the following highlights:

- Record current production rate of 7,400 boe/d, based on field estimates, excluding 550 boe/d of shut-in production associated with TransCanada Pipeline maintenance and third party plant turnarounds.
- Record drilling activity in the Wilson Creek area. The Company currently has three drilling rigs active with a fourth rig expected by the end of the month.
- A new farm-in agreement with two industry majors create a 10.5 (9.9 net) section contiguous land block in the Alder Flats area adding 26.6 net one-mile equivalent drilling locations.
- Non-core Queensdale property disposition for proceeds of \$4.3 million.
- Expansion of the Company’s fourth core area light oil play to 40 net contiguous sections.

### **Wilson Creek Operations Update**

Tamarack currently has three drilling rigs active in the Wilson Creek area of Alberta. Two operated rigs are currently drilling wells on the Wilson Creek lands acquired on September 30, 2014, from Suncor Energy. The Company expects these two rigs to drill continuously in Wilson Creek on the acquired lands until late in the fourth quarter. A non-operated rig is also active drilling the first of a four well program on the same pad in Wilson Creek on 50% working interest lands. The fourth rig is expected to begin drilling late in October, focusing on the final commitment well for 2014 on the farm-in with an industry major and drilling in Alder Flats.

To date in 2014, Tamarack has drilled 11 (10 net) wells in the Wilson Creek area with 6 net wells currently shut-in awaiting tie-ins to the recently purchased Suncor Energy infrastructure. Tamarack has succeeded in reducing drilling times by 25% during the recent drilling program, with a record well being drilled in 8.5 days from spud to rig release. The Company is very encouraged by these drilling cost reductions and expects to be able to duplicate this result with pad program drilling on the contiguous Wilson Creek land block. Further cost reductions are also being realized by the addition of owned infrastructure acquired with the Wilson Creek asset. The Company expects to reduce well equipping costs by approximately \$300,000 per well, by tying in wells into existing owned infrastructure rather

than equipping them as single-well batteries. All of these capital reductions will enable the Company to continue to achieve 12 to 14 month payouts on Cardium drills despite the recent reduction of crude oil prices.

### **Drilling Inventory Additions**

Subsequent to the third quarter, the Company has continued to consolidate working interests in the Wilson Creek / Alder Flats area. The Company agreed to terms with two industry majors and added 3 minor land parcels to assemble a contiguous 10.5 section land block in the Alder Flats area directly offsetting the 10-33 Alder Flats well brought on production in the first quarter of 2014. Through the consolidation of the Alder Flats land block, the Company added 28 (26.6 net) one mile equivalent low-risk drilling locations. A development plan for this area is being assembled and will be disseminated when the Company has finalized its 2015 budget.

During 2014, Tamarack has entered into or agreed to terms on 20 total tuck-in deals, adding a total of 35.88 (16.93 net) sections of undeveloped land in the greater Pembina area of Alberta. These deals have resulted in the addition of 48.9 net Cardium horizontal drilling locations to its inventory which is expected to more than replace this year's Cardium drilling activity. This is in addition to the 47.3 net Cardium locations the Company recently added as a result of the Wilson Creek acquisition.

Tamarack has also added 17 net sections of land to the existing 23 net sections already assembled on the Company's fourth light oil resource play. Although the location of this play has not yet been disclosed for competitive reasons, the play is expected to be de-risked in 2015.

### **Queensdale Non-Core Disposition**

Tamarack has sold certain non-core assets located in Queensdale, Saskatchewan for total consideration of \$4.3 million. This asset was producing 61 boe/d at the time of the sale and the Company had approximately 19 mboe of remaining reserves booked to this property. Exit production guidance will not be affected as a result of this disposition.

### **About Tamarack Valley Energy Ltd.**

Tamarack is an oil and gas exploration and production company committed to long-term growth and the increased identification, evaluation and operation of resource plays in the Western Canadian sedimentary basin. Tamarack's strategic direction is focused on two key principles – targeting resource plays that provide long-life reserves, and using a rigorous, proven modeling process to carefully manage risk and identify opportunities. The Company has an extensive inventory of low-risk development oil locations in the Redwater Viking play. While continuing to build on its sustainable growth platform, Tamarack also increased its low-risk development locations within the Cardium fairway through a farm-in agreement with an industry major in 2013 and recently completed an acquisition in Wilson Creek. These endeavors add to Tamarack's strong resource portfolio, including Cardium properties at Lochend, Garrington and Buck Lake and heavy oil properties in Saskatchewan. With a balanced portfolio, and an experienced and committed management team, Tamarack intends to continue to deliver on its promise to increase its production and maximize shareholder return.

In April 2014, Tamarack was honored as one of the TSX Venture 50. The TSX Venture 50 is a ranking of the strongest performing TSX-V companies in 2013 and is assessed on the basis of a combination of share price appreciation, trading volumes, change in market capitalization and analyst coverage. The index is comprised of ten companies from each of five sectors: Clean Technology, Oil and Gas, Diversified Industries, Mining, and Technology & Life Sciences.

### **Abbreviations**

bbl	barrel
bbls/d	barrels per day
boe/d	barrels of oil equivalent per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day

### **Unit Cost Calculation**

For the purpose of calculating unit costs, natural gas volumes have been converted to a barrel of oil equivalent (“boe”) using six thousand cubic feet equal to one barrel unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with Canadian Securities Regulators’ National Instrument 51–101 Standards of Disclosure for Oil and Gas Activities. Boe’s may be misleading, particularly if used in isolation.

### **Forward Looking Information**

This press release contains certain forward-looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “plan”, “potential”, “intend”, “objective”, “continuous”, “ongoing”, “encouraging”, “estimate”, “expect”, “may”, “will”, “project”, “should”, or similar words suggesting future outcomes. More particularly, this press release contains statements concerning Tamarack’s planned future drilling plans and operations, anticipated future completion operations and cost reductions, de-risked plays and anticipated future production and expectations as to improved future capital efficiencies. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack relating to prevailing commodity prices, the availability of drilling rigs and other oilfield services, the timing of past operations and activities in the planned areas of focus, the drilling, fracture stimulation, completion and tie-in of wells being completed as planned, the performance of new and existing wells, the application of existing drilling and fracturing techniques, surface access to wells, weather conditions, the continued availability of capital and skilled personnel, the ability to maintain or grow the banking facilities and the accuracy of Tamarack’s geological interpretation of its drilling and land opportunities. Although management considers these assumptions to be reasonable based on information currently available to it, undue reliance should not be placed on the forward-looking statements because Tamarack can give no assurances that they may prove to be correct.

By their very nature, forward-looking statements are subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures); commodity prices; the uncertainty of estimates and projections relating to production, cash generation, costs and expenses; health, safety, litigation and environmental risks; and access to capital. Due to the nature of the oil and natural gas industry, drilling plans and operational activities may be delayed or modified to react to market conditions, results of past operations, regulatory approvals or availability of services causing results to be delayed. Please refer to Tamarack's revised Annual Information Form ("AIF") dated March 13, 2014 for additional risk factors relating to Tamarack. The AIF is available for viewing under the Company's profile on [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this press release are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

**Neither 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 release.**

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