TSX: TVE

Tamarack Valley Energy Ltd. Announces 2016 Third Quarter Results

Calgary, Alberta – November 8, 2016 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company"**) is pleased to announce its operating and financial results for the third quarter and nine month periods ended September 30, 2016. Production for the quarter averaged 10,790 boe/d (55% liquids), an increase of 13% over the previous quarter and a 24% increase over the third quarter of 2015. Average production for the third quarter of 2016 increased by 13% to 10,790 boe/d from 9,536 boe/d in the second quarter of 2016. Third quarter volumes were positively impacted by a combined 2,046 boe/d attributable to the Penny and Redwater acquisitions, and volume additions from three (2.9 net) Cardium oil wells and one (1.0 net) heavy oil well that were brought on stream during the third quarter. By the end of the quarter, production from the recently acquired Penny and Redwater assets exceeded expectations by approximately 480 boe/d due to successful workovers and shallower decline rates. With two Redwater Viking oil wells, the Company's first horizontal oil well at Penny and one Cardium oil well at Wilson Creek all to come on production during the fourth quarter, the Company is well on its way to achieving its 2016 exit rate of approximately 11,000 boe/d.

For the first nine months of 2016 Tamarack averaged 9,972 boe/d, which is already within the annual guidance range of 9,800 to 10,500 boe/d. The increase in Q3 production can be attributed to volumes added from the Company's successful drilling program in Wilson Creek and Alder Flats areas of Alberta combined with the positive performance of assets acquired in the Penny area of Southern Alberta and the Redwater area of Alberta (collectively the "Penny and Redwater Assets") that closed mid-July. Production from the Penny and Redwater Assets has exceeded Tamarack's original expectations and contributed to the Company's strong volume performance for the three month and nine month periods ended September 30, 2016.

The increase in the Company's third quarter funds from operations to $16.7 million ($0.12 per share) from $15.4 million ($0.13 per share) in the previous quarter can be attributed to a 56% increase in natural gas prices and a 13% increase in production, and partially offset by higher production and royalty expenses and acquisition transaction costs. Tamarack will continue to focus on drilling wells that target a capital cost payout of 1.5 years or less, while striving to optimize capital efficiencies by reducing capital and operating costs. A key component of the Company's strategy is to conscientiously manage its assets and balance sheet through any cycle, which may include adjusting capital within the context of the commodity price environment, and to maintain a systematic hedging program to protect against downside risk from commodity price volatility. The Company is well hedged through 2017, which will underpin funds from operations and help Tamarack maintain its strong balance sheet and production base. As at September 30, 2016, Tamarack's net debt was $62.8 million, representing a conservative debt to annualized third quarter funds from operations ratio of 1.0 times.

Since the commodity price downturn began in late 2014, Tamarack has clearly demonstrated the strength of its strategic direction by cutting capital spending, reducing operating costs and strengthening its balance sheet in order to maintain the flexibility to exploit opportunities that may arise in this low commodity environment. That has positioned the Company to continue bolstering its high-quality, oil-focused resource areas, successfully adding incremental drilling locations into inventory and capitalizing on accretive, oil-weighted opportunities, including the acquisition of the Penny and Redwater Assets.

Subsequent to the end of the third quarter, on November 2, 2016, Tamarack announced a transformational combination with Spur Resources Ltd. ("Spur"). This combination will reposition the Company as an oil-weighted Cardium and Viking focused growth entity with over 17,250 boe/d of production with control of key infrastructure in its core areas. This combination remains consistent with Tamarack's strategy of adding high-quality, oil-weighted assets that on a half cycle basis achieve a capital cost payout of 1.5 years or less while maintaining balance sheet flexibility. This acquisition will provide the Company with ample high quality drilling inventory to fuel organic growth and allow for cash flow and production per share growth for many years. The closing of this transaction is expected to occur on or about January 11, 2017 subject to standard TSX, court and regulatory approvals and approval of both Tamarack and Spur shareholders.

Tamarack has filed its unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 ("Financial Statements") and management's discussion and analysis ("MD&A") on SEDAR at www.sedar.com, and posted the documents to Tamarack's website at www.tamarackvalley.ca. Selected financial and operational information is outlined below and should be read in conjunction with the Financial Statements, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), and the related MD&A.

This press release contains non-IFRS measures, including but not limited to cash flow, net debt and funds from operations. For further information on these measures, see the MD&A.

Financial & Operating Results

	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% change	**2016**	2015	% change
($, except share numbers)						
Total Revenue	**31,588,087**	27,779,319	14	**75,723,734**	78,420,495	(3)
Funds from operations [1]	**16,672,211**	14,618,184	14	**43,114,295**	41,546,600	4
Per share – basic [1]	**$ 0.12**	$ 0.15	(20)	**$ 0.37**	$ 0.47	(21)
Per share – diluted [1]	**$ 0.12**	$ 0.15	(20)	**$ 0.37**	$ 0.47	(21)
Net income (loss)	**(3,194,857)**	(15,063,870)	79	**(19,398,693)**	(22,447,287)	14
Per share – basic	**$ (0.02)**	$ (0.15)	87	**$ (0.17)**	$ (0.26)	35
Per share – diluted	**$ (0.02)**	$ (0.15)	87	**$ (0.17)**	$ (0.26)	35
Net debt [2]	**(62,817,409)**	(105,837,205)	(41)	**(62,817,409)**	(105,837,205)	(41)
Capital Expenditures [3]	**100,901,423**	23,165,628	336	**128,360,270**	96,613,691	33
Weighted average shares outstanding						
Basic	**134,381,795**	99,933,725	34	**117,263,018**	87,532,408	34
Diluted	**134,381,795**	99,933,725	34	**117,263,018**	87,532,408	34
Share Trading						
High	**$ 3.74**	$ 3.58	4	**$ 4.80**	$ 4.80	–
Low	**$ 3.15**	$ 1.83	72	**$ 1.83**	$ 1.83	–
Trading volume	**21,529,406**	23,956,012	(10)	**82,732,352**	67,394,527	23
Average daily production						
Light oil (bbls/d)	**4,534**	3,499	30	**3,999**	3,517	14
Heavy oil (bbls/d)	**343**	660	(48)	**379**	595	(36)
NGLs (bbls/d)	**1,078**	890	21	**1,021**	663	54
Natural gas (mcf/d)	**29,007**	22,005	32	**27,435**	18,962	45
Total (boe/d)	**10,790**	8,717	24	**9,972**	7,935	26
Average sale prices						
Light oil ($/bbl)	**51.83**	54.39	(5)	**47.19**	54.06	(13)
Heavy oil ($/bbl)	**39.29**	49.15	(20)	**32.89**	47.31	(30)
NGLs ($/bbl)	**19.68**	13.78	43	**17.83**	20.28	(12)
Natural gas ($/mcf)	**2.54**	3.04	(16)	**2.08**	2.93	(29)
Total ($/boe)	**31.82**	34.64	(8)	**27.72**	36.20	(23)
Operating netback ($/Boe) [4]						
Average realized sales	**31.82**	34.64	(8)	**27.72**	36.20	(23)
Royalty expenses	**(2.24)**	(3.81)	(41)	**(1.85)**	(3.69)	(50)
Production expenses	**(11.58)**	(14.05)	(18)	**(11.43)**	(13.07)	(13)
Operating field netback ($/Boe) [4]	**18.00**	16.78	7	**14.44**	19.44	(26)
Realized commodity hedging gain (loss)	**2.10**	5.35	(61)	**4.56**	4.61	(1)
Operating netback	**20.10**	22.13	(9)	**19.00**	24.05	(21)
Funds flow from operations netback ($/Boe) [4]	**16.80**	**18.23**	(8)	**15.78**	**19.18**	(18)

Notes:

(1) Funds from operations is calculated as cash flow from operating activities before the change in non-cash working capital and abandonment.

(2) Net debt does not have any standard meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Net debt includes accounts receivable, prepaid expenses and deposits, bank debt and accounts payable and accrued liabilities, but excludes the fair value of financial instruments.

(3) Capital expenditures include property acquisitions and are presented net of disposals, but exclude corporate acquisitions.

(4) Operating netback, operating field netback and funds flow from operations netback does not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Operating field netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis. Operating netback is the operating field netback with realized gains and losses on commodity derivative contracts. Funds flow from operations netback equals funds flow from operations divided by the total sales volume and reported on a per boe basis. Tamarack considers operating netback and funds flow from operations netback as important measures to evaluate operational performance as those measures demonstrate its field level profitability relative to current commodity prices.

About Tamarack Valley Energy Ltd.

Tamarack is an oil and gas exploration and production company committed to long-term growth and the identification, evaluation and operation of resource plays in the Western Canadian Sedimentary Basin. Tamarack's strategic direction is focused on two key principles – targeting repeatable and relatively predictable 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, oil development drilling locations focused primarily in the Cardium and Viking fairways in Alberta that are economic at a variety of oil and natural gas prices. With this type of portfolio and an experienced and committed management team, Tamarack intends to continue delivering on its strategy to maximize shareholder return while managing its balance sheet.

Abbreviations

bbls	barrels
bbls/d	barrels per day
Boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Mboe	thousands barrels of oil equivalent
mcf	thousand cubic feet
MMcf	million cubic feet
Mbbls	million barrels
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' NI 51–101. 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 "target", "plan", "continue", "intend", "ongoing", "expect", "may", "will", "should", or similar words suggesting future outcomes. More particularly, this press release contains statements concerning the Company's continued focus on reducing costs and continually improving operational and capital efficiencies, the impact of operating cost reduction initiatives, well completion design changes and associated cost reductions, adjustments to the 2016 capital expenditure program, deferral of capital expenditures and expected year end production in 2016. This press release also contains statements concerning the proposed combination with Spur Resources ("Combination") including the impact of the Combination on Tamarack and

Tamarack's plans, the timing and anticipated closing date for the Combination, the anticipated receipt of all Court, regulatory and shareholder approvals in respect of the Combination and the effect of the Combination and the anticipated outcome and benefits of the Combination, 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, 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, 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, timely receipt of all required shareholder, Court and regulatory approvals for the Combination, the successful completion of the Combination and the satisfaction of other closing conditions in accordance with the terms of the arrangement agreement with Spur Resources. 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.

Completion of the Combination could be delayed if parties are unable to obtain the necessary regulatory, stock exchange, shareholder and Court approvals on the timeline planned. The Combination will not be completed if all of these approvals are not obtained or some other condition of closing is not satisfied. Accordingly, there is a risk that the Combination will not be completed within the anticipated time or at all.

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 annual information form for the year ended December 31, 2015 (the "AIF") for additional risk factors relating to Tamarack. The AIF can be accessed either on Tamarack's website at www.tamarackvalley.ca or under the Company's profile on 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.

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