TSX: TVE

Tamarack Valley Energy Ltd. Announces Revised 2020 Capital Program

Calgary, Alberta – March 18, 2020 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") today announces proactive revisions to its 2020 capital budget and associated guidance in response to events impacting the global oil and gas industry.

Tamarack remains committed to enhancing its long-term sustainability and to executing a measured capital program that is fully funded with internally generated adjusted funds flow (see "Non-IFRS Measures"), while ensuring that the Company is well positioned for 2021. Given low crude prices and the impact of the Coronavirus (COVID-19) pandemic, Tamarack has revised its capital plans and established a more defensive capital program with the focus on preserving liquidity and its balance sheet strength. The Company's 2020 capital program has been adjusted to \$95 – \$105 million, which enables Tamarack to maintain a net debt to annualized adjusted funds flow ratio (see "Non-IFRS Measures") of less than two times at current strip prices (\$35.00/bbl WTI in 2020). The Company will continue to monitor changes in the market and adapt its capital and operating plans in response to these dynamic conditions. Despite the reduction in capital expenditures, Tamarack remains committed to ongoing environmental, social and governance ("ESG") initiatives including a well abandonment program, methane capture projects and the continued support of Indigenous culture and education through engagement of its First Nations partners.

The Company is positioned to withstand further crude oil price volatility as approximately 43% of its first half 2020 oil production is protected with derivative contracts at US\$58.21/bbl and 26% of its second half 2020 oil production is protected with derivative contracts at US\$55.32/bbl. At the current strip prices noted below, Tamarack anticipates full year hedging gains of approximately \$42 million.

Tamarack also confirms that the Company has a comprehensive risk management plan in place to deal with the impact of the COVID-19 pandemic. This plan includes proactive measures taken to ensure a safe workplace for all employees, contractors and consultants across the organization along with mitigation strategies for the various potential business risks which could be associated with COVID-19. Tamarack is prepared to implement additional measures in the event the number of infection cases continues to increase. The Company is also committed to ensuring effective stakeholder management around the pandemic, including the provision of organizational and financial support to the Kainai (Blood) Tribe.

Details of the revised 2020 capital program and associated guidance are outlined below.

Revised 2020 Capital Budget and Guidance

	Original Guidance	**Amended Guidance**
Full Year Capital Budget (\$MM)	\$170-\$180	\$95-\$105
Annual Average Production (boe/d)	23,500-24,500	21,500-22,500
Annual Average Oil & Natural Gas Liquids Weighting (%)	~64-66%	~62-64%
Free Adjusted Funds Flow(1) (\$MM)	\$28-32	\$18-23
Net Debt to Q4 Annualized Adjusted Funds Flow Ratio(1) (times)	<1.0	<2.0
2021 Estimated Corporate Decline Rate(2)	<30%	23-26%

(1) *See Non-IFRS Measures*
(2) *Based on December 2020 to December 2021 estimates*

This guidance is based on average 2020 commodity price assumptions of WTI US$35.00/bbl, MSW/WTI differential of US$4.35/bbl and AECO at $1.85/GJ as well as a Canadian/US dollar exchange rate of $0.7277.

Under the Company's amended and more defensive capital program, 2020 annual average production is forecast to be lower than 2019. However, management believes its revised plan will enhance the sustainability of the Company into 2021 and beyond through a lower corporate decline rate, lower maintenance capital requirements (see "Non-IFRS Measures") and balance sheet preservation.

To facilitate these objectives, a greater percentage of 2020 capital (over 30%) will be allocated to Tamarack's Veteran waterflood program. Incremental waterflood production is expected to improve the corporate decline rate to between 23% and 26% in 2021, compared to previous estimates of less than 30%. Lower decline rates will lead to a reduction in the maintenance capital required for 2021 (approximately $100 to $110 million), and will enable balance sheet strength with an estimated net debt to adjusted funds flow ratio of less than two times (Q4 annualized and annual trailing). Tamarack retains significant liquidity on its current bank line and will continue to be pragmatic in adjusting the capital program as deemed necessary.

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: (i) targeting repeatable and relatively predictable plays that provide long-life reserves; and (ii) 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 over a range 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 returns 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
GJ	gigajoule
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
AECO	the natural gas storage facility located at Suffield, Alberta, connected to TransCanada's Alberta System
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board

Disclosure of Oil and Gas Information

Unit Cost Calculation. For the purpose of calculating unit costs, natural gas volumes have been converted to a 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 Administrators' National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*. Boe may be misleading, particularly if used in isolation.

Any references in this press release to production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Tamarack.

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 "guidance", "outlook", "anticipate", "target", "plan", "continue", "intend", "consider", "estimate", "expect", "may", "will", "should", "could" or similar words suggesting future outcomes. More particularly, this press release contains statements concerning: Tamarack's business strategy, objectives, strength and focus; the ability of the Company to achieve drilling success consistent with management's expectations; commodity prices; market conditions impacting realized prices; the Company's ability to withstand commodity price volatility; risk management activities, including hedging and derivative contracts; full year hedging gains; the revised 2020 capital budget and guidance; Tamarack's commitment to enhancing long-term sustainability and executing a measured capital program that is fully-funded; monitoring changes in the market and adapting to new conditions; Tamarack's commitment to its ongoing environmental, social and governance initiatives; the COVID-19 pandemic and Tamarack's response thereto, including risk mitigation plan, proactive measures and initiatives; oil and liquid production levels; the sustainability of the Company into 2021 through a lower decline rate, lower maintenance capital requirements and balance sheet preservation; allocation of the 2020 capital to the waterflood program; incremental waterflood production and the impact thereof; and adjusting the capital program as deemed necessary.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack, including relating to: prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products; the availability and performance of drilling rigs, facilities, pipelines 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; prevailing weather and break-up conditions; royalty regimes and exchange rates; the application of regulatory and licensing requirements; the continued availability of capital and skilled personnel; the ability to maintain or grow the banking facilities; the accuracy of Tamarack's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation; and Tamarack's ability to execute its risk management plan, measures and initiatives in response to the COVID-19 pandemic.

Although management considers these assumptions to be reasonable based on information currently available, 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 in general (e.g. operational risks in development, exploration and production; and 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; access to capital; and the COVID-19 pandemic. 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, 2018 (the "AIF") and management's discussion and analysis for the three and nine months ended September 30, 2019 (the "MD&A") for additional risk factors relating to Tamarack. The AIF and the MD&A 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.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tamarack's prospective results of operations and production, net debt to adjusted funds flow ratio, free adjusted funds flow, maintenance capital, net debt to trailing annual adjusted funds flow ratio, net debt to Q4 annualized adjusted funds flow ratio and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was made as of the date of this document and was provided for the purpose of providing further information about Tamarack's future business operations. Tamarack disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

Non-IFRS Measures

Certain financial measures referred to in this press release, such as adjusted funds flow, free adjusted funds flow, maintenance capital, net debt to adjusted funds flow ratio, net debt to annualized adjusted funds flow ratio and net debt to Q4 annualized adjusted funds flow ratio are not prescribed by IFRS. Tamarack uses these measures to help evaluate its financial and operating performance as well as its liquidity and leverage. These non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

"Adjusted funds flow" is calculated by taking net income or loss before taxes and adding back items, including transaction costs, and certain non-cash items including stock-based compensation; accretion expense on decommissioning obligations; depletion, depreciation and amortization; impairment; unrealized gain or loss on financial instruments; unrealized gain or loss on foreign exchange; unrealized gain or loss on cross-currency swap; and gain or loss on dispositions. Tamarack uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating income (loss) per share.

"Free adjusted funds flow" is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions, Management believes that free adjusted funds flow provides a useful measure to determine Tamarack's ability to improve returns and to manage the long-term value of the business.

"Maintenance capital" is calculated as all drilling, completion, equipping and facilities capital combined with abandonment and reclamation expenses that are required to maintain average production volumes year over year.

"Net debt" is calculated as bank debt plus working capital surplus or deficit, including the fair value of cross-currency swaps and excluding the fair value of financial instruments and lease liabilities.

"Net debt to annualized adjusted funds flow ratio" is calculated as net debt divided by annualized adjusted funds flow for the most recent or noted quarter.

"Net debt to Q4 annualized adjusted funds flow ratio" is calculated as net debt divided by the forecast annualized adjusted funds flow for the upcoming fourth quarter of the current fiscal year.

“Net debt to trailing annual adjusted funds flow ratio” is calculated as net debt divided by adjusted funds flow for the four preceding quarters.

Please refer to the MD&A for additional information relating to Non-IFRS measures. The MD&A can be accessed either on Tamarack’s website at www.tamarackvalley.ca or under the Company’s profile on www.sedar.com.

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