TSX: TVE

Tamarack Valley Energy Announces Strategic Asset Acquisition in West Central, Alberta & Updated 2020 Pro Forma Guidance

Calgary, Alberta – July 9, 2020 – Tamarack Valley Energy ("Tamarack" or the "Company") (TSX: TVE) is pleased to announce it has entered into a purchase agreement to acquire assets located in West Central, Alberta (the "Assets"). The Assets include approximately 2,500 boe/d (52% oil and natural gas liquids, "NGLs") of low-decline production supported by a high-quality, multi-zone light oil and liquids rich gas drilling inventory and approximately 105,000 net acres of land, acquired for total cash consideration of $4.25 million (the "Acquisition"). The Acquisition continues to advance Tamarack's strategy of enhancing its overall sustainability and free adjusted funds flow profile under current commodity prices and features attractive acquisition metrics.

Highlights

The Acquisition is consistent with Tamarack's strategy to develop a portfolio focused on enhancing full cycle profitability, while maintaining a healthy balance sheet even at low commodity prices. Based on the Company's proven ability to improve efficiencies, reduce operating costs and increase netbacks across its existing asset base, Tamarack plans to apply the same principles to the Assets with the view to achieving similar results. Highlights of the Assets and Acquisition include:

- Stable current production volumes of approximately 2,500 boe/d (52% oil and NGLs)[1] with a low decline rate estimated at approximately 13%;
- Approximately 105,000 net acres of land concentrated in key development plays within Tamarack's West Central core area featuring approximately 50 high-quality, multi-zone light oil and liquids rich natural gas drilling locations;
- Opportunity to synergistically reduce operating expenditures on the Assets by integrating production from the Acquisition into Tamarack's operated infrastructure network in the greater West Central core fairway;
- Based on internally estimated reserves with respect to the Assets based on GLJ July 1st 2020 Pricing, the Acquisition provides the following:
  - 6.6 MMboe of proved developed producing ("PDP") reserves[2];
  - 7.5 MMboe of total proved reserves[2];
  - 10.7 MMboe of total proved plus probable ("TPP") reserves[2];
  - TPP reserve life index ("RLI") of 11 years[2]; and
- Commitment to further enhancing the Company's asset retirement obligation ("ARO") investment with an estimated increase of $1.5 million in 2020.

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[1] Comprised of 560 bbls/d of light and medium crude oil, 739 bbls/d of NGLs and 7.2 MMcf/d of natural gas.

[2] PDP reserves, total proved reserves, TPP reserves and RLI are derived from the Company's internal Qualified Reserve Evaluators ("QRE") and prepared in accordance with National Instrument 51-101 ("NI 51-101") and the Canadian Oil and Gas Evaluations Handbook ("COGEH"). "Internally estimated" means an estimate that is derived by the Company's internal QRE and prepared in accordance with NI 51-101. All internal estimates contained in this new release have been prepared effective as of June 1st, 2020.

Acquisition Metrics

Estimated Production (at closing)	2,500 boe/d
Flowing Multiple	$1,700 per boe/d
PDP Reserves(1)	$0.64/boe
Total Proved Reserves(1)	$0.57/boe
Total Proved + Probable Reserves(1)	$0.40/boe
Annual Net Operating Income Multiple(2)(3)	1.4x

Notes:

(1) PDP Reserves, Total Proved Reserves, Total Proved + Probable Reserves are derived from the Company's internal QRE and prepared in accordance with NI 51-101 and the COGEH.
(2) Based on 12 month strip from July 3rd 2020.
(3) See Non-IFRS Measures.

Pro-Forma 2020 Updated Guidance

Tamarack's revised 2020 guidance is set out below and reflects the inclusion of the Assets effective June 1st.

	July 9, 2020 Updated Guidance
Full Year Capital Budget (including Acquisitions & ARO spend) ($MM)	$101
Annual Average Production (boe/d)	20,850 - 21,250
Annual Average Oil & Natural Gas Liquids Weighting (%)	~60-62%
Free Adjusted Funds Flow(1) ($MM)	$15-20
Net Debt to Trailing Annual Adjusted Funds Flow Ratio(1) (times)	~1.5x
2021 Estimated Corporate Decline Rate(2)	22-24%
2021 Estimated Corporate Sustaining Capital Breakeven Price ($/Bbl)(1)	~US$37.00

(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$39.00/bbl, MSW/WTI differential of US$6.00/bbl and AECO at $2.00/GJ as well as a Canadian/US dollar exchange rate of $1.3625.

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

AECO	the natural gas storage facility located at Suffield, Alberta connected to TC Energy's Alberta System
bbls/d	barrels per day
boe	barrels of oil equivalent

boe/d	barrels of oil equivalent per day
GJ	gigajoule
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
MMboe	million barrels of oil equivalent
MMcf/d	million cubic feet per day
MSW	Mixed sweet blend, the benchmark for conventionally produced light sweet crude oil in Western Canada
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade

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.

Oil and Gas Metrics. This press release contains metrics commonly used in the oil and natural gas industry, such as reserve life index. "Reserve life index" is calculated as total Assets interest reserves divided by annual production.

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 Acquisition, the Assets, Tamarack's plan with respect to the Assets and expectations relating thereto and the impact thereof on Tamarack's operations, financial position and business strategies, including without limitation, Tamarack's strategy of enhancing its overall sustainability and free adjusted funds flow profile and developing a portfolio focused on enhancing full cycle profitability while maintaining a healthy balance sheet; and the Company's revised 2020 guidance.

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; Tamarack's ability to execute its plans and strategies, including with respect to the Assets; and the completion of the Acquisition.

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 Acquisition and the Assets; 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, 2019 (the "AIF") and management's discussion and analysis for the year ended December 31, 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, corporate decline rates, capital expenditures, net debt to trailing annual adjusted funds flow ratio, free adjusted funds flow, estimated corporate sustaining capital breakeven price 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, annual net operating income, annual net operating income multiple, estimated corporate sustaining capital breakeven price, free adjusted funds flow; net debt; and net debt to trailing annual 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.

"Annual net operating income" is calculated as total petroleum and natural gas sales prior to hedging, less royalties, and net production and transportation costs. Management also expresses this as operating field netback within other disclosures.

"Annual net operating income multiple" is calculated as the total purchase price of the Asset divided by the annual net operating income expressed as a ratio or multiple.

"Estimated corporate sustaining capital breakeven price" is calculated as the WTI crude oil benchmark price needed to generate sufficient adjusted funds flow in order to cover the level sustaining capital needed in order to hold current production volumes stable.

"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.

"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 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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