

TSX: TVE

Tamarack Valley Energy Ltd. Announces Closing of Previously Announced Strategic Clearwater and Waterflood Asset Acquisitions and \$68 Million Equity Financing

Calgary, Alberta – March 25, 2021 – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) (TSX: TVE) is pleased to announce the closing of the two previously announced strategic acquisitions (together, the “Acquisitions”) in the Provost and Nipisi areas of Alberta for a total net purchase price of \$135.3 million, after deducting the proceeds from the sale of two newly created 4.0% gross overriding royalties (“GORR”) on a select portion of the acquired Nipisi properties.

Concurrent with the Acquisitions, the Company completed its previously announced bought-deal financing (the “Financing”) of 30,303,000 common shares of Tamarack (“Common Shares”) at a price of \$2.25 per Common Share (the “Offering Price”) for gross proceeds of approximately \$68 million. The Company also completed an amendment to the syndicated credit facility, with an increased borrowing base of \$325 million. In addition, Tamarack issued 4,888,889 Common Shares in conjunction with the acquisition of Woodcote Petroleum Inc. (“Woodcote”). Post-completion of the Financing and Acquisitions, Tamarack has 298,715,026 Common Shares outstanding.

Acquisitions

The Acquisitions added approximately 2,800 boe/d¹ of low decline oil weighted production under waterflood in the Provost and Nipisi areas along with an incremental 38,400 net acres of Clearwater rights in Nipisi.

Tamarack has acquired all of the issued and outstanding shares of Woodcote, a Clearwater focused private company, with a 100% operated working interest in Greater Nipisi (the “Corporate Acquisition”).

Tamarack, through its wholly owned subsidiary, Tamarack Acquisition Corp., has also acquired a working interest in the Nipisi and Provost assets from a publicly-traded oil and gas company (“the “Vendor”) with an effective date of February 1, 2021 (the “Asset Acquisition”).

Concurrent with the completion of the Acquisitions, Tamarack sold two newly created 4.0% GORR on a select portion of the Nipisi assets to Topaz Energy Corp. (the “GORR Disposition”). Tamarack has committed to spending \$60.0 million of capital to further develop the GORR lands prior to specific milestone dates up to and including March 31, 2023, subject to reduction in certain circumstances.

With the closing of the Acquisitions, Tamarack expects 2021 production to average approximately 26,000 boe/d². For further details on the Acquisitions, see Tamarack’s press release dated March 5, 2021. An updated presentation can be found on the Company’s website (www.tamarackvalley.ca).

Financing

Concurrent with the completion of the Acquisitions, Tamarack issued, on a bought-deal financing basis, 30,303,000 Common Shares at a price of \$2.25 per Common Share for gross proceeds of approximately \$68 million. The net proceeds from the Financing were used to fund a portion of the cash purchase price in respect of the Acquisitions.

The Company has granted to the underwriters an over-allotment option, exercisable in whole or in part for a period of 30 days following the closing of the Financing, to purchase up to an additional 3,030,300 Common Shares at the Offering Price.

¹ Comprised of approximately 2,370 bbl/d oil, 50 bbl/d NGL and 2,280 mcf/d natural gas.

² Comprised of approximately 15,750 bbl/d oil, 2,000 bbl/d NGL and 49,500 mcf/d natural gas.

Advisors

Peters & Co. Limited acted as financial advisor to Tamarack with respect to the Asset Acquisition and strategic advisor with respect to the Corporate Acquisition.

National Bank Financial Inc. acted as financial advisor to Tamarack with respect to the GORR Disposition and the Corporate Acquisition.

ATB Capital Markets Inc. and CIBC World Markets Inc. acted as strategic advisors to Tamarack with respect to the Asset Acquisition.

Stikeman Elliott LLP acted as counsel to Tamarack with respect to the Acquisitions, the GORR Disposition and the Financing.

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, Clearwater 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.

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 NI 51-101 - *Standards of Disclosure for Oil and Gas Activities*. Boe 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 "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 assets acquired pursuant to the Acquisitions, including anticipated benefits and strategic rationale; oil and natural gas production levels, including 2021 average production; decline rates; drilling plans and timing of drilling; Tamarack's liquidity and financial position, the factors contributing thereto, including the timing and level capital expenditures, including in connection with the GORR.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack, including relating to: Tamarack, Woodcote, the Vendor, the assets acquired pursuant to the Acquisitions and the GORR Disposition, including receipt of all required approvals; 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 plans and strategies.

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: 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, 2020 (the "AIF"), management's discussion and analysis for the year ended December 31, 2020 (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, future capital expenditures and components thereof, including pro forma the Acquisitions, the Financing and the GORR Disposition, 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.

For additional information, please contact:

Brian Schmidt
President & CEO
Tamarack Valley Energy Ltd.
Phone: 403.263.4440
www.tamarackvalley.ca

Steve Buytels
VP Finance & CFO
Tamarack Valley Energy Ltd.
Phone: 403.263.4440
www.tamarackvalley.ca