

TSX: TVE

Tamarack Valley Energy Ltd. Announces Closing of Previously Announced Rolling Hills Energy Ltd. Acquisition and Extension of Existing Sustainability-Linked Lending

Calgary, Alberta – June 10, 2022 – Tamarack Valley Energy Ltd. (“**Tamarack**” or the “**Company**”) (TSX: TVE) is pleased to announce that it has successfully closed the previously announced acquisition (the “**Acquisition**”) of Rolling Hills Energy Ltd. (“**Rolling Hills**”), a privately held pure play Clearwater oil producer. Tamarack acquired all of the issued and outstanding common shares of Rolling Hills for total net consideration of 9.3 million common shares of Tamarack and \$46.5 million in cash.

Tamarack has now successfully consolidated working interests and operatorship in the Southern Clearwater to 100%, as a result of the Acquisition. The acquired assets are forecasted to produce ~2,100 bbl/d⁽¹⁾ average for the remainder of 2022 and deliver ~\$65 million of annualized operating field netback^{(2),(3)}. Tamarack expects to realize synergies in gas conservation and other infrastructure projects already in the planning phase, lowering the GHG intensity of the assets.

As previously announced, and in conjunction with the closing of the Acquisition, Tamarack has increased its base monthly dividend by 20% to \$0.01 per month beginning with the June declaration with an expected payment date of July 15, 2022. The increase in Tamarack’s monthly cash dividend reflects the improvement in sustainable free funds flow⁽²⁾ per share the Company has generated both organically and through the strategic Crestwynd and Rolling Hills acquisitions which drive accretion at flat pricing of US\$55/bbl WTI and \$2.50/GJ AECO.

Tamarack is also pleased to announce that its existing sustainability-linked lending facility (“SLL Facility”) has been extended to May 31, 2024. The SLL Facility syndicate also provided a modest increase to \$650 million on the revolving facility, to account for some of the additional value added through the Acquisition.

About Tamarack Valley Energy Ltd.

Tamarack is an oil and gas exploration and production company committed to creating long-term value for its shareholders through sustainable free funds flow generation, financial stability and the return of capital. The Company has an extensive inventory of low-risk, oil development drilling locations focused primarily on Charlie Lake, Clearwater and EOR plays in Alberta. Operating as a responsible corporate citizen is a key focus to ensure we deliver on our environmental, social and governance (ESG) commitments and goals. For more information, please visit the Company’s website at www.tamarackvalley.ca.

Abbreviations

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| AECO | the natural gas storage facility located at Suffield, Alberta connected to TC Energy's Alberta System |
| bbls/d | barrels per day |
| IFRS | International Financial Reporting Standards as issued by the International Accounting Standards Board |
| WCS | Western Canadian Select, the benchmark for conventional heavy and oil sands blended 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 |

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Notes to Press Release

(1) Comprised of ~2,100 bbl/d heavy crude oil product type as defined by Canadian Securities Administrators' National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

(2) See "*Specified Financial Measures*"

(3) Operating field netback based on June to December 2022 average pricing assumptions, as at May 31, 2022, of \$105.66 WTI (USD/bbl); \$17.39 WCS differential (USD/bbl); and \$1.2746 CAD/USD FX.

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 anticipated benefits of the Acquisition, including the impact of the Acquisition on the Company's operations, opportunities, financial condition, access to capital and overall strategy; expectations with respect to oil and natural gas production and operating field netbacks in 2022 in respect of the assets (the "Assets") acquired pursuant to the Acquisition; development and drilling plans for the Assets; future intentions with respect to return of capital; and Tamarack's commitment to ESG principles and the impact of the Acquisition thereon, including the initiation of a Southern Clearwater gas conservation project. Future dividend payments, if any, and the level thereof, is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, free funds flow financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tamarack to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack, including relating to: the business plan of Tamarack pro forma the completion of the Acquisition; the timing of and success of future drilling, development and completion activities; the geological characteristics of Tamarack's properties; the characteristics of the Assets; the successful integration of the Assets into Tamarack's operations; 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; impact of inflation on costs; 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: unforeseen difficulties in integrating the Assets into Tamarack's operations; incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition); the risk that future dividend payments thereunder are reduced, suspended or cancelled; 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;

increased operating and capital costs due to inflationary pressures; the uncertainty of estimates and projections relating to production, cash generation, costs and expenses; health, safety, litigation and environmental risks; access to capital; the COVID-19 pandemic; and Russia's military actions in Ukraine. 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 the annual information form for the year ended December 31, 2021, the management's discussion and analysis for the three months ended March 31, 2022 (the "MD&A") and other continuous disclosure documents for additional risk factors relating to Tamarack, which 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, free funds flow and operating field netback and components thereof, including pro forma the completion of the Acquisition, 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 approved by management as of the date of this document and was provided for the purpose of providing further information about Tamarack's future business operations. Tamarack and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. 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.

Specified Financial Measures

This press release includes various specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios and capital management measures as further described herein. These measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable with the calculation of similar measures by other companies.

"Adjusted funds flow (capital management measure)" is calculated by taking cash-flow from operating activities and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs since Tamarack believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. 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 loss per share.

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

"Operating Field Netback" equals total petroleum and natural gas sales, less royalties and net production and transportation expenses.

Please refer to the MD&A for additional information relating to specified financial measures including non-IFRS financial measures, non-IFRS financial ratios and capital management 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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