TSX: TVE

Tamarack Valley Energy Ltd. Announces Closing of Previously Announced Anegada Oil Corp. Acquisition and Charlie Lake Update

Calgary, Alberta – June 1, 2021 – 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 Anegada Oil Corp. ("Anegada"). Tamarack acquired all of the issued and outstanding common shares of Anegada for total net consideration of 105.3 million common shares of Tamarack and $247.5 million in cash and assumed net debt(1), after deducting the proceeds from the closing of the previously announced 2% gross overriding royalty (the "GORR"). In conjunction with the acquisition, Tamarack's credit syndicate has increased the Company's credit facilities to $600 million and extended the revolving period to May 31, 2022.

Charlie Lake Update

Current production from the newly acquired assets is approximately 12,500 boe/d(2). The Company forecasts a range of 12,000 to 13,000 boe/d(3) for the second half of 2021, maintaining that level of production on a go forward basis. Tamarack plans to run two rigs in the play during the month of June, with plans to drill 12 (12.0 net) wells for the remainder of the year, with seven (7.0 net) in the Pipestone area, two (2.0 net) in Wembley, two (2.0 net) in Saddle Hills and one (1.0 net) in Valhalla. Approximately two-thirds of the wells planned are three-mile horizontals with the remainder being two-mile horizontals. Tamarack's total budget for 2021 is expected to be approximately $180 million.

Tamarack has proactively enhanced the inventory of future drilling locations and Charlie Lake acreage by an incremental 33 (32.7 net) locations and greater than 18,000 additional acres of land, through strategic tuck-in activity in the greater Charlie Lake fairway since the initial announcement of the Acquisition. Tamarack's highly economic Charlie Lake inventory represents >257 (240.0 net) locations and over 10 years of planned drilling inventory in the play. The Charlie Lake light oil inventory has very robust economics consisting of: high productivity wells (IP30 rates of >650 boe/d(4)); payouts of less than 6 months; profit to investment ratios(1) (10% discount) of >1.7; and long-term net asset value growth (NPV10 per well greater than $5 million) at US $55/bbl WTI and $2.50/GJ AECO.

Anegada brought on-stream another notable well in late March (3-16-071-8W6), which produced an average of 919 bbls/d of oil for the calendar month of April. Two other notable wells in the Pipestone area that were brought on-stream in February (2-22 & 3-22-071-08W6) were down for approximately half of the month in April due to a battery fire. All of these wells are three-mile horizontals.

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 three key principles: (i) targeting repeatable and relatively predictable plays that provide long-life reserves; (ii) using a rigorous, proven modeling process to carefully manage risk and identify opportunities; and (iii) operating as a responsible corporate citizen with a focus on environmental, social and governance (ESG) commitments and goals. 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.

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
mcf/d	thousand cubic feet per day
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) See “Non-IFRS Measures”

(2) Comprised of 7,100 bbl/d light and medium oil, 1,900 bbl/d NGL and 21,000 mcf/d natural gas

(3) Comprised of 6,550 – 7,200 bbl/d light and medium oil, 1,950 – 2,000 bbl/d NGL and 21,000 – 22,800 mcf/d natural gas

(4) Comprised of 370 bbl/d light and medium oil, 100 bbl/d NGL and 1,080 mcf/d natural gas

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 National Instrument 51-101 – *Standards of Disclosure of Oil and Gas Activities* ("NI 51-101"). Boe may be misleading, particularly if used in isolation.

Drilling Locations. This press release discloses drilling locations with respect to the Anegada assets in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Company’s internal reserves evaluation as prepared by a member of management who is a qualified reserves evaluator in accordance with NI 51-101 and the most recent publication of the Canadian Oil and Gas Evaluations Handbook ("COGEH") effective June 1, 2021 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on the Company's assumptions as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the total 257 (240.0 net) drilling locations identified herein, 72 (70.5 net) are proved locations, 6 (6.0 net) are probable locations and 179 (163.5 net) are unbooked locations. Unbooked locations have been identified by management as an estimation of Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations considered for future development will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by the drilling of existing wells by Anegada in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

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 Acquisition, including anticipated benefits and strategic rationale; oil and natural gas production levels, including average production for the second half of 2021; 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 and the increase to the Company's credit facilities.

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; the assets acquired pursuant to the Acquisition; the GORR disposition; the timing of and success of future drilling, development and completion activities; the geological characteristics of Tamarack's properties; the characteristics of the acquired assets; the successful integration of the acquired 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; 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: counterparty risk to closing the Acquisition; 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); 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 the annual information form for the year ended December 31, 2020 and management's discussion and analysis for the period ended March 31, 2021 (the "MD&A") 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, capital budget and expenditures, balance sheet strength, profit to investment ratios, payout of wells, net debt, net asset value growth and components thereof, including pro forma the Acquisition 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 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 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.

References in this press release to IP30 and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Tamarack.

Non-IFRS Measures

Certain measures commonly used in the oil and natural gas industry referred to herein, including, "adjusted funds flow", "net debt" and ”profit to investment ratio”, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. These non-IFRS measures are further described and defined below. Such non-IFRS measures are not intended to represent operating profits nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

"**Adjusted Funds Flow**" is calculated by taking cash-flow from operating activities and adding back changes in non-cash working capital and expenditures on decommissioning obligations, 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 can also be calculated on a per boe basis. 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.

"**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. Tamarack closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors Net Debt as part of its capital structure. The Company uses Net Debt as an alternative measure of outstanding debt. Management considers Net Debt an important measure to assist in assessing the liquidity of the Company.

"**Profit to Investment Ratio**" is calculated as the present value of future Adjusted Funds Flows, discounted at 10% per annum, divided by total capital expenditures. Tamarack uses Profit to Investment Ratio to assess the long-term profitability and sustainability as well as to prioritize capital expenditures.

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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