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Tamarack Valley Energy Ltd. and Spur Resources Ltd. Announce a Transformative Business Combination to Create an Oil Weighted Cardium and Viking Focused Growth Company Producing Over 17,000 boe/d

Calgary, Alberta – November 2, 2016 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") and Spur Resources Ltd. ("**Spur**") are pleased to announce that they have entered into an arrangement agreement (the "**Arrangement Agreement**") providing for the acquisition by Tamarack of all the issued and outstanding common shares of Spur ("**Spur Shares**"), which will hold Spur's Viking oil assets at closing (the "**Combination**"). Under the terms of the Arrangement Agreement, Tamarack will issue an aggregate of 90.1 million common shares ("**Tamarack Shares**") of Tamarack (subject to rounding, the "**Share Consideration**") and $57.3 million in cash (the "**Cash Consideration**"). Tamarack will also be assuming Spur's net debt, estimated to be $25.7 million as at November 30, 2016, after accounting for proceeds from the exercise of all outstanding options of Spur, and severance and transaction costs. Based upon the previous 10-day VWAP of Tamarack of $3.60 per share, the total consideration payable by Tamarack, including the assumption of debt, is approximately $407.5 million.

Tamarack is pleased to announce that Ian Currie, President and Chief Executive Officer of Spur, is expected to join the board of directors of Tamarack (the "**Board**") upon completion of the Combination. Mr. Currie is a professional engineer with 30 years of experience and has been instrumental in the success of Spur over the past decade. Mr. Currie brings a wealth of experience and continuity to the Tamarack board of directors and will assist in overseeing the further development of the Spur Assets within Tamarack.

In addition, the Compensation and Governance Committee of the Board will, with the assistance of Tamarack management, make recommendations to the Board with respect to the nomination of two additional independent directors. It is anticipated that such directors will be put forward for election at Tamarack's next annual meeting of shareholders.

All directors and officers of Spur, representing approximately 34% of the issued and outstanding Spur Shares, have entered into support agreements with Tamarack pursuant to which they have agreed to vote their Spur Shares in favour of the Combination.

Clayton Woitas, Chairman of the Board of Spur commented, "On behalf of the board of directors of Spur, we are excited to combine with Tamarack and believe that the corporate philosophies of the two teams are much aligned. We believe that Tamarack management will provide top-tier growth to its shareholders from a high-quality Cardium and Viking asset base. We look forward to being shareholders of Tamarack."

Strategic Rationale

The Combination is transformational for Tamarack and will add concentrated, high netback, light oil-weighted Viking focused assets to Tamarack with operations in southwestern Saskatchewan and southeastern Alberta (the "**Spur Assets**"). The Combination immediately adds 6,250 boe/d (52% light oil and NGLs) of low cost production and an extensive drilling inventory of 720 (695 net) total identified low-risk drilling locations with an average light oil and NGL weighting of approximately 70%.

Spur has accumulated and delineated 300,000 net acres of high working interest acreage in the Consort and Esther areas of southeast Alberta and the Milton and Hoosier areas of southwest Saskatchewan. The Spur Assets were accumulated over the past five years under guiding principles that are similar to those adhered to by Tamarack. The Spur Assets are oil-focused, sustainable, reliable and are expected to provide predictable per share growth for many years to come, including under current commodity prices in the prevailing low price environment. Like Tamarack, Spur has been focused on maintaining a low-cost structure through the ownership and control of strategic infrastructure across its asset base, driving attractive netbacks and robust economics at current commodity prices. Significant growth opportunities have been identified across the Spur Assets including 483 (468 net) drilling locations that pay out in 1.5 years or less at current strip prices. Spur has 750 km of oil and gas pipelines, multiple owned batteries, compressors and booster compressors and a 34.2% working interest in the Spur operated Consort Gas Plant. Tamarack does not forecast that any material near-term facility capital will be required. Further information regarding Tamarack's specific plans for development of the Spur Assets through 2017 is outlined below under "2017 Growth Plans and Preliminary Guidance".

"This transaction is consistent with Tamarack's strategy to continue building our portfolio of high-quality, oil-focused resource assets that offer a repeatable and predictable growth profile while maintaining a healthy balance sheet," said Brian Schmidt, President and CEO of Tamarack in commenting on the Combination. "The Spur Assets meet all of the rigorous evaluation criteria that Tamarack utilizes for acquisitions and provide an ideal fit with our core operations. We are very excited about the significant value creation potential that we see with this business combination."

Pro forma the Combination, Tamarack will be an intermediate oil-weighted Cardium and Viking focused growth company with production of approximately 17,250 boe/d (54% light oil and NGLs) and forecast average production of between 19,000 and 20,000 boe/d in 2017. The addition of the Spur Assets further bolsters Tamarack's existing suite of low-cost, oil-weighted assets and is expected to strengthen the Company's ability to grow funds flow and production per share for many years. Tamarack will have over 681 net total identified locations that pay out in 1.5 years or less at current strip prices. The Combination immediately establishes Tamarack as one of the top producers in the prolific Viking light oil fairway across Alberta and Saskatchewan, building upon the Company's existing Viking asset base at Redwater and core Cardium assets at Wilson Creek. The Company expects to maintain financial strength and flexibility with pro forma net debt to 2017E cash flow at current strip prices of 0.9 times, and no requirement for an equity financing to fund development of the combined assets.

The key benefits to Tamarack shareholders pro forma the Combination are as follows, assuming 2017 prices of USD$50.00/bbl WTI, CAD$2.75/GJ AECO, and a Canadian/US dollar exchange rate of $0.75:

- Repositions Tamarack as a leading Cardium and Viking focused company with material near term growth opportunities at low commodity prices;

- Control of key infrastructure which is consistent with Tamarack's guiding principle of continuous operating cost improvement;
- Current pro forma production base of 17,250 boe/d (54% light oil and NGLs) that is forecast to average between 19,000 and 20,000 boe/d (54-58% light oil and NGLs) in 2017 and exit 2017 between 20,000 and 21,000 boe/d (54-58% light oil and NGLs);
- 2017 accretion is forecast to be 16% on cash flow per share and 2017 cash flow netback is expected to increase by 17% to approximately $21.85;
- Increases the drilling inventory by 695 net drilling locations which includes 468 net Viking drilling locations that pay out in 1.5 years or less at current strip prices;
- Balance sheet flexibility with a 0.9x times net debt to 2017E cash flow at current strip prices, with no additional equity financing required; and
- Based on early indications of lending values on the Spur Assets, the Company will have significant liquidity available on its anticipated credit facility upon completion of the Combination.

Summary of the Combination

Total purchase price[(1)]	$407.5 million
Estimated production (at closing)	6,250 boe/d (52% light oil and NGLs)
Forecasted annual decline rate on base production	32-33%
Land	470 net sections
Total net identified / bookable locations	695 / 200
Forecasted 2017 operating netback[(4)]	$28.45/boe
Reserves (mmboe):	
Proved developed producing ("PDP") reserves[(2)]	10,500 (41% light oil and NGLs)
Proved reserves[(2)]	15,000 (47% light oil and NGLs)
Proved plus probable ("P+P") reserves[(2)]	26,500 (55% light oil and NGLs)
P+P RLI[(3)]	11.6 years

Acquisition Metrics

Estimated Production (at closing)	$65,200 per boe/d
Proved Reserves	$27.16/boe
P+P Reserves	$15.37/boe
2017E cash flow multiple[(5)]	6.3 times
P+P Recycle ratio	1.9 times

Notes to the tables above:

1 The purchase price will be subject to normal adjustments for a transaction of this nature.

2 Working interest reserves before the calculation for royalties and before the consideration of royalty interest reserves.

Reserves estimates are based on the Company's internal evaluation of what it estimates could be booked at September 30, 2016. The reserves were prepared in accordance with the Canadian Oil and Gas Evaluation Handbook by a member of

Tamarack's management who is a qualified reserves evaluator in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

[3] The reserve life index ("RLI") is calculated by dividing P+P reserves estimated at September 30, 2016 with estimated production at closing.

[4] Operating netback does not have any standard meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis. Tamarack considers operating netback as an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The estimated operating netback was derived using the Company's 2017 commodity price forecast of USD$50.00/bbl WTI, CAD$2.75/GJ AECO, and a Canadian/US dollar exchange rate of $0.75.

[5] Cash flow multiple is calculated by dividing the purchase price by an estimate of funds from operations from the acquired asset on a run rate basis using the estimated production rate at closing. The estimated operating netback was derived using the Company's 2017 commodity price forecast of USD$50.00/bbl WTI, CAD$2.75/GJ AECO, and a Canadian/US dollar exchange rate of $0.75.

2016 Confirmed Guidance

Tamarack re-affirms its previously announced 2016 guidance as outlined below, and will continue to closely monitor the broader commodity price environment. As a result of prudent stewardship during this prolonged commodity price downturn, the Company is well positioned with the flexibility to accelerate or reduce capital expenditures from current levels in accordance with commodity price fluctuations:

- Annual average production between 9,700-10,000 boe/d (approximately 53-57% liquids), with exit production estimated at approximately 11,000 boe/d;
- Capital expenditures ranging from $45 to $53 million, or $17 to $25 million for the second half of 2016; and
- Assumed 2016 commodity prices within the following ranges: WTI averaging $44/bbl to $47/bbl USD, Edmonton Par price averaging $52/bbl to $56/bbl, AECO averaging $1.80/GJ to $2.00/GJ and a Canadian/US dollar exchange rate range of $0.77 to $0.78.

Tamarack is scheduled to release its results for the three and nine months ended September 30, 2016 on November 8, 2016 prior to the TSX market open.

2017 Growth Plans and Preliminary Guidance

Under Tamarack's initial 2017 growth plans, the Company anticipates that it will allocate drilling capital approximately equally between the Spur Assets and existing Tamarack assets. An estimated 100 to 110 Viking oil wells are expected to be drilled on the Spur Assets, with approximately 80% in the Consort and Veteran areas, where acquired operated infrastructure can contribute to greater cost control and enhanced returns. On the Company's existing assets, Tamarack plans to drill between 15 and 17 net wells at Wilson Creek and Alder Flats, up to four net wells at Penny, and between 10 and 15 net wells at Redwater.

The Combination is expected to increase Tamarack's 2017 cash flow netback, production and cash flow per share while maintaining an exit net debt to cash flow below 0.9x. The following is the preliminary guidance for 2017 before and after the acquisition of the Spur Assets:

2017 Estimates

	Tamarack		
	Pre-Acquisition	**Post-Acquisition**	**% Increase**
Average production (boe/d)	12,000	19,500	63%
Per share (fully diluted)	83.5	83.5	-
% oil/NGLs	54%	58%	7%
Q4 exit production (boe/d)	11,500	20,500	78%
Per share (fully diluted)	80.3	87.8	9%
% oil/NGLs	54%	58%	7%
Development capital ($MM)	$75	$165	120%
Cash flow netback ($/boe)	$18.60	$21.85	17%
Cash Flow ($MM)	$81.5	$155	90%
Per Share (Fully Diluted)	$0.57	$0.66	16%
Net Debt to Cash Flow (times)	0.7x	0.9x	29%

Assumptions in the above: WTI $50.00/bbl USD, AECO $2.75/GJ CAD, Cdn/US dollar exchange rate $0.75

Board of Directors Recommendation and Financial Advisors

The board of directors of Tamarack, after receiving advice from Peters & Co. Limited with respect to the strategic and financial aspects of the Combination, has unanimously approved the Combination and the entering into of the Arrangement Agreement, and recommends that Tamarack shareholders vote in favour of the issuance of the Tamarack Shares pursuant to the Combination. With respect to the Combination, Peters & Co. Limited is acting as exclusive financial advisor to Tamarack and its board of directors. CIBC World Markets and Macquarie Capital Markets acted as strategic advisors to Tamarack and its board.

The board of directors of Spur has unanimously approved the Combination and the entering into of the Arrangement Agreement and determined that the Combination is in the best interests of Spur and its shareholders and recommends that Spur shareholders vote in favour of the Combination. With respect to the Combination, National Bank Financial Inc. ("NBF") is acting as exclusive financial advisor to Spur and its board of directors.

Plan of Arrangement

Tamarack and Spur have entered into an Arrangement Agreement pursuant to which Tamarack and Spur have agreed to undertake a plan of arrangement under the *Business Corporations Act* (Alberta). Under the terms of the Arrangement Agreement, each Spur Share shall be exchanged for: (i) either (A) 1.6896 Tamarack Shares; or (B) $6.08 in cash; (ii) 0.3333 common shares ("**Newco Shares**") in a newly formed private company ("**Newco**") to be managed primarily by the existing Spur management team and board of directors with certain assets of Spur located in the Clearwater medium oil fairway in Alberta; and (iii) 0.20 of a Newco share purchase warrant (each whole warrant, a "**Newco Warrant**"). The aggregate Cash

Consideration payable by Tamarack is fixed at $57.3 million and the aggregate Share Consideration to be issued by Tamarack is fixed at 90.1 million (subject to rounding). Each whole Newco Warrant will entitle the holder to acquire one Newco Share at an exercise price equal to $2.87 per share at any time on or before the close of business on the 30th day following the closing of the Combination.

The Arrangement Agreement contemplates that Tamarack and Spur shareholders will hold their respective shareholder meetings on or about January 10, 2017 where holders of Spur Shares will vote on the Combination and holders of Tamarack Shares will vote on the issuance of Tamarack Shares pursuant to the Combination, as required by the rules of the Toronto Stock Exchange. It is expected that a management information circular and proxy statement will be sent to the shareholders of each of Tamarack and Spur in early December 2016. Closing of the Combination is expected to occur on or about January 11, 2017.

The Arrangement Agreement provides for a mutual break fee of $16,300,000 in the event of termination of the Arrangement Agreement in certain circumstances and a mutual third party expense reimbursement fee in the event that Tamarack or Spur shareholders do not approve the issuance of Tamarack Shares or the Combination, respectively, in certain circumstances. The Arrangement Agreement also provides for customary non-solicitation covenants, and exercise of fiduciary duty and right to match provisions, among other matters.

Senior officers and directors of Spur who collectively hold or exercise control over approximately 34% of the issued and outstanding Spur Shares (assuming exercise of options and restricted share units), have entered into agreements with Tamarack pursuant to which they have agreed to not dispose or trade their Tamarack Shares upon completion of the Combination except as follows: (i) 1/3 of such Tamarack Shares shall be eligible for disposition upon closing of the Combination; (ii) 1/3 of such Tamarack Shares shall be eligible for disposition on the date that is three months after the closing of the Combination; and (iii) the remaining 1/3 of such Tamarack Shares shall be eligible for disposition on the date that is six months after the closing of the Combination.

The closing of the Combination is subject to the receipt by Tamarack and Spur of all court, stock exchange and other regulatory approvals, receipt of the requisite shareholder approvals of Tamarack and Spur, no material adverse change having occurred in Spur and a number of other matters customary in transactions of this nature.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Conference Call and Updated Presentation

A conference call and webcast to discuss the Combination has been scheduled for today, Wednesday, November 2nd, at 9:00 AM MT (11:00 AM ET) for interested investors, analysts, brokers and media representatives. To participate, please dial 1-866-696-5910 (toll-free in North America) or +1-416-340-2217 (Toronto & International) and enter passcode 3848571 approximately 10 minutes prior to the scheduled start time for the conference call. Alternatively, to listen to this event online, please enter http://www.gowebcasting.com/8252 in your web browser. A digital replay will be made available approximately two hours after the call's completion and will remain available until November 9th, 2016. To listen to the replay, please dial 1-800-408-3053 (toll-free in North America) or +1-905-694-9451 (Toronto & International) and enter Passcode 3332613.

Tamarack has posted an updated corporate presentation reflecting the transaction on the Investor Info page of Tamarack Valley's website at http://www.tamarackvalley.ca.

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 – targeting repeatable and relatively predictable plays that provide long-life reserves, and 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 at a variety 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 return while managing its balance sheet.

Abbreviations

Boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
mmboe	million barrels of oil equivalent

Unit Cost Calculation

For the purpose of calculating unit costs, natural gas volumes have been converted to a barrel of oil equivalent ("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 Regulators' NI 51–101. Boe's 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 "anticipate", "believe", "plan", "potential", "intend", "focus", "estimate", "expect", "may", "will", "could", "should", or similar words suggesting future outcomes. More particularly, this press release contains statements concerning the proposed Combination including the impact of the Combination on Tamarack and Tamarack's plans, the timing and anticipated dates for mailing the joint management information circular to shareholders of Tamarack and Spur and the shareholder meetings to consider matters relating to the Combination, the anticipated receipt of all Court and regulatory approvals in respect of the Combination, the satisfaction of all parties to the conditions to closing of the Combination, the anticipated closing time of the Combination, anticipated Combination value, the effect of the Combination, including the anticipated 2016 combined production, estimated proved reserves, estimated proved plus probable reserves, estimated proved plus probable reserves life index, the anticipated production, results or operation and capital expenditures of the Company for 2017, estimated future drilling locations, estimated undeveloped land and estimated net debt, the drilling opportunities with respect to Spur's inventory including the expected economics related thereto, the expected composition of the board of directors of Tamarack following completion of the Combination and the expected treatment of the securities of Tamarack in connection with the Arrangement. The completion and timing of the Combination are based on a number of assumptions, including the timely receipt of all required shareholder, Court and regulatory approvals for the Combination and the satisfaction of other closing conditions in accordance with the terms of the Arrangement Agreement. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack relating to the successful completion of the Combination, approval of the Combination by Spur shareholders and the approval of the issuance of Tamarack Shares pursuant to the Combination by the Tamarack shareholders, prevailing commodity prices, the availability of drilling rigs 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, the continued availability of capital and skilled personnel, the ability to maintain or grow the banking facilities and the accuracy of Tamarack's geological interpretation of its drilling and land opportunities. Although management considers these assumptions to be reasonable based on information currently available to it, undue reliance should not be placed on the forward-looking statements because Tamarack can give no assurances that they may prove to be correct.

Completion of the Combination could be delayed if parties are unable to obtain the necessary regulatory, stock exchange, shareholder and Court approvals on the timeline planned. The Combination will not be completed if all of these approvals are not obtained or some other condition of closing is not satisfied. Accordingly, there is a risk that the Combination will not be completed within the anticipated time or at all.

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 (e.g. operational risks in development, exploration and production; 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; and access to capital. 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 revised Annual Information Form ("**AIF**") dated March 24, 2016 for additional risk factors relating to Tamarack. The AIF is available for viewing 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

Drilling Locations

This press release discloses drilling locations in two categories: (i) booked locations; and (ii) unbooked locations. Booked locations are proved locations and probable locations derived from an internal evaluation using standard practices as prescribed in the Canadian Oil and Gas Evaluations Handbook and account for drilling locations that have associated proved and/or probable reserves, as applicable. Of the 720 gross drilling locations of Spur identified herein, 110 are proved locations, 90 are probable locations and 500 are unbooked locations. Of the 1,250 gross drilling locations of Tamarack, assuming completion of the Combination, identified herein, 215 are proved locations, 200 are probable locations and 835 are unbooked locations. Unbooked locations are internal estimates based on prospective acreage and an assumption 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. Unbooked locations have been identified by management as an estimation of our 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 on which the Company actually drills wells 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 de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of 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.

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