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Tamarack Valley Energy Ltd. Announces Closing of Spur Resources Ltd. Acquisition and Increase in Borrowing Base to \$220 Million

Calgary, Alberta – January 11, 2017 – Tamarack Valley Energy Ltd. (“**Tamarack**” or the “**Company**”) is pleased to announce that it has successfully completed the previously announced acquisition (the “**Acquisition**”) of Spur Resources Ltd. (“**Spur**”) pursuant to a plan of arrangement under the provisions of the *Business Corporations Act* (Alberta). Immediately prior to the closing of the Acquisition, Spur conveyed all of its non-Viking assets to a newly formed private company, to be led by the former Spur management team. As a result, pursuant to the Acquisition, Tamarack acquired all of Spur's concentrated, high netback, light oil-weighted Viking focused assets with complementary operations in southwestern Saskatchewan and southeastern Alberta.

All of the issued and outstanding common shares of Spur were acquired by Tamarack for consideration consisting of approximately \$57.3 million in cash and 90.1 million common shares of Tamarack (“**Tamarack Shares**”) as well as the assumption of Spur's debt. Total consideration paid by Tamarack, including the assumed debt, was approximately \$407.5 million based on a 10-day volume weighted average price of \$3.60 per Tamarack Share prior to the Acquisition announcement. At Tamarack's special meeting of shareholders to approve the issuance of the Tamarack Shares pursuant to the Acquisition, 66.44% of the outstanding Tamarack Shares were represented and the issuance was approved by 99.95% of the Tamarack Shares represented at the meeting. Immediately following completion of the Acquisition, Tamarack completed an amalgamation of Tamarack Acquisition Corp. and Spur. The amalgamated corporation will continue as a wholly-owned subsidiary of Tamarack under the name “Tamarack Acquisition Corp.”.

The Company is also pleased to announce that concurrent with the closing of the Acquisition, its extendible revolving credit facilities (the “**Credit Facilities**”) were amended to increase the borrowing base by over 80% to \$220 million from \$120 million. After giving effect to this increase, the Credit Facilities are comprised of: (i) an extendible revolving syndicated term credit facility of \$200 million (increased from \$110 million); and (ii) an extendible revolving working capital credit facility of \$20 million (increased from \$10 million).

Following completion of the Acquisition, Tamarack has approximately 227.6 million Tamarack Shares issued and outstanding which includes 500,000 Tamarack Shares issued on a “flow-through” basis on December 29, 2016 at a price of \$5.00 per Tamarack Share (the “**Flow-Through Shares**”). The gross proceeds from the sale of the Flow-Through Shares will be used to incur and renounce Canadian exploration expenses pursuant to the *Income Tax Act* (Canada).

Peters & Co. Limited acted as financial advisor to Tamarack with respect to the Acquisition. CIBC World Markets and Macquarie Capital Markets acted as strategic advisors to Tamarack with respect to the Acquisition.

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.

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