



TSXV: TVE

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**Tamarack Valley Energy Ltd. completes \$4.5 Million Flow-Through Share Financing**

**Calgary, Alberta (Marketwire – October 21, 2010) (TSXV: TVE)** – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce that it has closed its previously announced brokered flow-through share financing comprised of: (i) a “bought deal” private placement of 9,486,166 common shares of Tamarack (“Common Shares”) at \$0.31625 per share issued on a flow-through basis related to Canadian exploration expense (the “CEE Flow-Through Shares”) pursuant to the Income Tax Act (Canada) (the “Tax Act”) for gross proceeds of \$3 million; and (ii) a “best efforts” private placement of 3,382,664 Common Shares at \$0.295625 per share issued on a flow-through basis related to Canadian development expense pursuant to the Tax Act for gross proceeds of \$1 million. The flow-through financing included the exercise in full of the over-allotment option of 1,581,028 CEE Flow-Through Shares at \$0.31625 per share for additional gross proceeds of \$500,000. The syndicate of underwriters for the financing was led by Acumen Capital Finance Partners Limited and included Peters & Co. Limited, Paradigm Capital Inc., Dundee Securities Corporation and National Bank Financial Inc.

The proceeds of the financing will be used to accelerate the Company’s Cardium and Viking light oil exploration program by incurring eligible Canadian exploration expenses and Canadian development expenses, which will be renounced on or before December 31, 2010 to subscribers of the respective flow-through shares.

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This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities in the United States. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933 (the “Act”) and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements of such Act.

**About Tamarack Valley Energy Ltd.**

Tamarack Valley Energy is an oil and gas company involved in the identification, evaluation and operation of resource plays in the western Canadian sedimentary basin. The Company uses a rigorous, proven modeling process to carefully manage risk and identify growth opportunities and has assets in

Lochend, Harmattan/Garrington and Quaich areas in Alberta and in Inga, Red Creek and Wilder areas in northeast BC.

### **Forward Looking Information**

This press release contains certain forward-looking statements within the meaning of applicable securities laws, including statements relating to use of proceeds. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “intends”, “forecast”, “plans”, “guidance” and similar expressions are intended to identify forward-looking statements or information. The intended use of proceeds is based on assumptions relating to the current business and investment climate of the oil and gas business and the current business projections of the management of Tamarack. 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.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. 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; the uncertainty of estimates and projections relating to production, costs and expenses, health, safety, litigation and environmental risks and the risks inherent in the estimation of reserves); the risk of commodity price and foreign exchange rate fluctuations, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. Due to the nature of the oil and natural gas industry, budgets are regularly reviewed in light of the success of expenditures and other opportunities which may become available to Tamarack. Readers are cautioned that notwithstanding the Company’s current intentions regarding the use of the proceeds of the financing, there may be circumstances where a reallocation of funds may be necessary, subject to contractual obligations. While Tamarack anticipates that it will spend the funds available to it as set forth above, there may be circumstances where, for sound business reasons, a reallocation of the proceeds may be necessary, depending on future operations on Tamarack’s properties or unforeseen events.

The forward-looking statements contained in this news 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.

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