

TAMARACK VALLEY ENERGY LTD.

CODE OF BUSINESS CONDUCT AND ETHICS

Adopted July 23, 2010

I. Statement of Purpose

Every director, officer, employee and consultant (each a “**Tamarack Representative**”) of Tamarack Valley Energy Ltd. (the “**Corporation**”) is a representative of the Corporation and has the responsibility to obey the law and act ethically. To that end, this Code of Business Conduct and Ethics (this “**Code**”) is a guide intended to sensitize such individuals to significant legal and ethical issues that arise frequently and to mechanisms available to report illegal or unethical conduct. This Code affirms the commitment of the Corporation to uphold ethical standards and specifies the basic principles of acceptable conduct for a Tamarack Representative. There may be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In such cases you should contact your supervisor or a member of senior management for guidance on proper conduct.

This Code has been adopted by the Board of Directors of the Corporation and extends to every Tamarack Representative, including full-time, part-time and temporary employees and contractors of the Corporation.

Each Tamarack Representative will be provided with a copy of this Code and will be required to comply with it as a term of his or her office or employment. Conduct that violates this Code may also violate federal, provincial or state law and can subject both the Corporation and the Tamarack Representative to prosecution and legal sanctions. Further, a Tamarack Representative who violates this Code may face disciplinary action up to and including termination of their employment with the Corporation for just cause without notice or payment in lieu of notice.

In carrying out their duties, each Tamarack Representative is expected to act honestly and in good faith with a view to the best interests of the Corporation. To this end, the Corporation has committed to maintain a high standard of corporate governance that incorporates the principles of good conduct and ethical behaviour. Accordingly, the following principles for business conduct and ethical behaviour have been adopted.

II. Compliance with Laws, Rules and Regulations

Each Tamarack Representative will conduct the business of the Corporation in compliance with laws, rules, regulations and other legal requirements applicable wherever the Corporation is carrying on business.

No Tamarack Representative shall directly or indirectly give, offer or agree to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official in contravention of the *Corruption of Foreign Public Officials Act*.

This law can be complicated and result in serious and adverse enforcement proceedings against the Corporation if violated. If a Tamarack Representative is in doubt about whether a particular

practice may violate such law, such person should contact the Chief Executive Officer of the Corporation.

III. Conflicts of Interest

Each Tamarack Representative shall conduct their business affairs in a manner that ensures their private or personal interests do not conflict with the interests of the Corporation, including conflicts relating to personal, financial or other gain. It is not always easy to determine whether a conflict of interest exists, so any potential conflict of interest must be reported immediately to your supervisor or a member of senior management with a high standard of honesty and ethical principles and, if requested, such Tamarack Representative shall abstain from participating in the decision process related to such transaction. Sections XIII and XIV of this Code set out a non-exhaustive list of examples of potential conflicts of interest.

IV. Fair Dealing

Ethical behaviour requires the observance of reasonable commercial standards of fair dealing. Each Tamarack Representative should endeavour to deal fairly with the Corporation's customers, suppliers, competitors, employees and stakeholders. No Tamarack Representative will take unfair advantage of anyone through illegal discrimination or harassment or other illegal conduct or act in a manner that is dishonest or outside reasonable commercial standards of fair dealing.

V. Confidentiality

Each Tamarack Representative shall maintain the confidentiality of information entrusted to them except in circumstances where disclosure is authorized or legally mandated in accordance with the Policy and Procedures Governing Confidentiality. Confidential information shall not be used for personal gain. Confidential information includes all non-public information that may be of use to competitors or harmful to the Corporation or its shareholders if disclosed. It includes information deemed to be proprietary to the Corporation, whether patented or not. It also includes information that suppliers, partners and working interests owners have entrusted to the Corporation. A Tamarack Representative who leaves the Corporation has an ongoing obligation to keep such information confidential.

VI. Health and Safety

The Corporation strives to provide each Tamarack Representative with a safe and healthy work environment. Each Tamarack Representative has responsibility for maintaining a safe and healthy workplace for all representatives by following safety and health rules and practices established by the Corporation from time to time, and reporting accidents, injuries and unsafe equipment, practices or conditions.

Tamarack Representatives should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace or jobsite will not be tolerated.

VII. Corporate Opportunities and Protection and Proper Use of the Corporation's Assets

Each Tamarack Representative owes a duty to advance the Corporation's legitimate interests whenever an opportunity arises and is prohibited from:

- (a) taking personal advantage of opportunities discovered through the use of the Corporation's assets, property, information or their position that would be contrary to the Corporation's interests;
- (b) using or deploying the Corporation's assets, property, or information or their position for personal gain; and
- (c) subject to complying with the conflicts of interest provisions of the Code, competing with the Corporation, it being recognized that, as regards to the directors of the Corporation only, most of such individuals hold other board positions with companies that may be competitors of the Corporation.

Each Tamarack Representative shall protect the Corporation's assets and ensure that the Corporation's assets are properly and efficiently used for legitimate business purposes. The Corporation's management is specifically responsible for establishing and maintaining appropriate internal controls to safeguard the Corporation's assets against loss from unauthorized or improper use or disposition. Any suspected incidents of abuse, fraud or theft should be immediately reported to that person's supervisor or as detailed in Section XII of this Code.

VIII. Reporting Integrity

The Corporation requires complete, accurate and honest recording and reporting of accounting, financial, land, reserves and other information. This information is used to make business decisions and to provide a base for the Corporation's reporting regarding, financial results, news releases, reserves and government agencies. The Corporation's financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and the Corporation's system of internal controls.

No false, artificial or misleading entries in the books, records and documents of the Corporation shall be knowingly made for any reason and no Tamarack Representative shall engage in any arrangement that results in such prohibited acts. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and accounting period.

All public disclosure documents and other reports filed by the Corporation shall be in accordance with the Corporation's Policy and Procedures Governing Disclosure and will include full, fair, accurate, timely and understandable disclosure.

IX. Encouraging the Reporting of Any Illegal or Unethical Behaviour

Each Tamarack Representative is encouraged to promote ethical behaviour in things they do and to ensure a healthy, ethical workplace. Violations of laws, rules, regulations or this Code are to

be reported in accordance with Section XII of this Code “How to Raise a Concern (Whistleblower Policy)”.

Officers and other employees holding management positions with the Corporation shall not retaliate against any Tamarack Representative who reports in good faith on any matter which is in contravention of this Code. The Corporation’s Board of Directors will not knowingly allow any retaliation by officers or management in respect of reports made in good faith by any employee.

X. Waivers

Any Tamarack Representative whose conduct or actions have failed to meet or whose conduct or actions may not meet the principles and standards set out in this Code must immediately self report such failure to the Chair of the Audit Committee. If such reporting contains a request for a waiver of such conduct, the Chair of the Audit Committee shall arrange for a review and recommendation by that committee. The Audit Committee shall examine the circumstances related to the failure and the requested waiver and make an appropriate recommendation to the Board of Directors. The Corporation will promptly disclose waivers of this Code as required by applicable law or the rules of any stock exchange on which the securities of the Corporation are listed for trading.

XI. Compliance with the Corporation’s Other Policies and Procedures

Each Tamarack Representative shall adhere to the Corporation’s various policies and procedures in place from time to time as they may be amended and in particular the Corporation’s Safety Manual (or other document containing environmental, health and safety policies), the Corporation’s Policy and Procedures Governing Disclosure, Policy and Procedures Governing Confidentiality and Policy and Procedures Governing Insider Trading.

XII. How to Raise a Concern (Whistleblower Policy)

If a Tamarack Representative becomes aware of a breach or possible breach of applicable laws, rules or regulations or of this Code, they are expected to report such breach.

Any employee of the Corporation may submit, on a confidential or anonymous basis, if the employee so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls, or auditing matters. Any other person may also submit similar concerns or complaints. All such concerns are to be set forth in writing and forwarded in a sealed envelope directly to the Chairman of the Audit Committee in an envelope labelled with a legend as follows: “To be opened by the Chairman of the Audit Committee only.” In order to be acted upon, such complaints must include sufficient information for the Chairman of the Audit Committee to investigate and to determine whether the complaint is valid. If the complainant would like to discuss the matters noted in the complaint with the Chairman of the Audit Committee, he or she should indicate this in the submission and include a telephone number at which he or she can be reached.

Following the receipt of any complaints submitted hereunder, the Chairman of the Audit Committee will review the complaint, speak to the complainant if a telephone number is

provided, investigate the matter to the extent deemed necessary and bring the matter to the attention of the Audit Committee.

The Chairman of the Audit Committee may enlist employees of the Corporation and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints regarding financial statement disclosures, accounting, internal accounting controls, or auditing matters. In conducting any investigation, the Chairman of the Audit Committee shall use reasonable efforts to protect the confidentiality or anonymity of the complainant.

If upon investigation the allegation is judged to be without substance or merit, or not made in good faith, the allegation may be dismissed. If upon investigation the allegation is judged to be made in good faith and of substance the Audit Committee, through management, will take the necessary disciplinary and/or corrective action. If a telephone number or e-mail address is provided by the complainant, the Chairman of the Audit Committee will, upon completion of the investigation, notify the complainant of the results of the investigation and whether disciplinary and/or corrective action has been taken.

The Corporation and its officers, employees and agents shall not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of his or her employment based upon lawful actions of such employee with respect to good faith reporting or investigation of complaints regarding the Corporation's accounting and auditing matters.

The Audit Committee, through the Corporation's legal counsel, will retain as a part of its records any such complaints and or concerns and record of the investigative work performed for a period of at least 7 years.

XIII. Examples of Possible Conflicts

Conflict of Interest

A conflict situation can arise when a Tamarack Representative takes actions or has interests that may make it difficult to perform their work objectively and effectively. Conflicts of interest also arise when a Tamarack Representative, or family members of a Tamarack Representative, receive improper personal benefits as a result of Tamarack Representative's position with the Corporation. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Corporation and any other organization in which a Tamarack Representative or members of their families have an interest.

Financial Interest

Neither a Tamarack Representative nor their families (including spouses, children or spouse equivalents residing together) shall own, control or direct a material financial interest in a supplier, contractor or competitor of the Corporation or in any business enterprise, which does or seeks to do business with the Corporation.

Outside Business Activities

A Tamarack Representative shall not engage in any outside business or activity that is detrimental to the Corporation. Each Tamarack employee is expected to spend their full time and attention performing their jobs during normal business hours.

Outside Directorships

A Tamarack Representative shall not, serve as a trustee, director, officer, partner, consultant or any other role in any unaffiliated profit-making organization if that entity competes with or provides goods or services to the Corporation, without the prior consent of the Corporation's Board of Directors, it being recognized that, as regards to the directors of the Corporation only, most of such individuals hold other board positions with companies that may be competitors of the Corporation.

Gifts and Entertainment

A Tamarack Representative must be prudent in offering or accepting gifts (including tickets to sporting, recreational or other events) to or from a person or entity with which the Corporation does or seeks to do business. The value of gifts should be less than \$1,000 and consumed within one month. Gifts that are repetitive (for example, more than 4 event tickets in a calendar year) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Likewise, business entertainment should be moderately scaled and intended only to facilitate business goals. If, for example, tickets to a sporting or cultural event are offered, then the person offering the tickets should plan to attend the event as well. Use good judgment. "Everyone else does it" is not sufficient justification. If you are having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, ask yourself these guiding questions:

- Is it legal?
- Is it clearly business related?
- Is it moderate, reasonable and in good taste?
- Would public disclosure embarrass the Corporation?
- Is there any pressure to reciprocate or grant special favours?

Strict rules apply when we do business with governmental agencies and officials, whether in Canada, the United States or in other countries. Due to the sensitive nature of these relationships, talk with your supervisor before offering or making any gifts or hospitality to governmental employees whether in Canada, the United States or in other countries.

Customer and Supplier Relations

All customers, suppliers and independent contractors purchasing or furnishing goods and services must be dealt with fairly. Decisions to hire a subcontractor or source materials from a particular vendor must be made on the basis of objective criteria such as quality, reliability, technical excellence, price, delivery, service and maintenance of adequate sources of supply.

Government and Community Relations

The Corporation's financial support to political organizations requires the express approval of the Chief Executive Officer of the Corporation. A Tamarack Representative engaging in personal political activities must do so in their own right and not on behalf of the Corporation. Corporate donations to charities made on behalf of the Corporation shall be within budgets approved by the Board of Directors.

Personal Relationships

Each Tamarack Representative shall avoid any arrangement or circumstance, including personal relationships, that may compromise their ability to act in the best interest of the Corporation. A Tamarack Representative, excluding contractors, shall not supervise directly or be in a position to influence the career of someone with whom he or she is engaged in a personal relationship.

XIV. Additional Obligations with Respect to the Corporation's Assets

Use of the Corporation's Resources

The Corporation's resources include company time, materials, supplies, equipment, information, electronic mail and computer systems. These resources are generally only to be used for the Corporation-specific purposes.

In protecting the Corporation's resources, the Corporation reserves the right to periodically monitor access to and the content of the Corporation's computer systems and networks. Each employee's corporate e-mail address is, in fact, a company address and any information put in the corporate system is the Corporation's property. Therefore, all correspondence received and sent via e-mail is to be considered corporate correspondence and all information or data on the corporate systems are subject to seizure, review, monitoring and investigation. When you use these systems, you consent to the Corporation's access and use and no employee has any privacy rights in regard to this information. If you want to communicate private or personal information, use another method.

Use of Internet and Email

The Corporation's computer networks and systems include electronic mail and messaging systems, internal Intranet and the public Internet. The Corporation's computer resources and networks are provided for company-related business purposes. Excessive personal use is inappropriate. Use of the Corporation's computer resources to view, retrieve or send sexually-related or pornographic messages or material; violent or hate-related messages or material; bigoted, racist or other offensive messages or other messages or material related to illegal activities is strictly prohibited.

Use of the Corporation Name

A Tamarack Representative must not use their employment status to obtain personal gain from those doing or seeking to do business with the Corporation. Employees may not use the Corporation's name or purchasing power to obtain personal discounts or rebates unless the discounts are made available to each Tamarack Representative.

Patents and Inventions

Inventions, discoveries and copyright material, made or developed by employees in the course of, and relating to, their employment with the Corporation are the property of the Corporation unless a written release is obtained or covered by contract.

Proprietary Information

Employees are reminded they are not to use proprietary information which is detrimental to the Corporation's interests.