



## TSX VENTURE: TVE

### **Tamarack Valley Energy Provides Operational Update and Increases 2010 Proved Reserves by 31%**

**Calgary, Alberta – March 24, 2011** – Tamarack Valley Energy (“Tamarack” or the “Company”) (TSX VENTURE: TVE) is pleased to provide an update to our recent operational activities:

- Initiation of drilling at Buck Lake, plus ongoing drilling plans
- Increase in land base in its Alberta Viking oil play
- Cardium production update
- Sale of non-core property at Inga, northeast B.C. property

On March 12, 2010, Tamarack initiated its first well at 5-24-46-6 W5M, located in its new Buck Lake Cardium play in west central Alberta. Drilling and completions services have been secured with service providers that have a track record of successfully drilling and completing Cardium horizontal wells. Tamarack expects to fracture stimulate this well in April, and provide initial production results in May.

The rig will then move to Lochend to drill our 8-29-26-3 W5M well. Thereafter, the Company is preparing several other Lochend, Buck Lake and Garrington locations and anticipates drilling multiple wells in succession as some locations are accessible through spring breakup. Based on historical experience, this continuous drilling program is expected to result in cost savings.

Tamarack has also increased its land base in the Alberta oil Viking play to 20.8 net sections. The Company estimates Tamarack Viking lands contain 92 unrisks drilling locations in total.

The Lochend well at 16-32-26-3 W5M produced an average of 130 bopd (122 bopd net) on a calendar day basis during its fourth month of production (February, 2011), and has so far produced a total of 20,250 bbls (19,035 bbls net) since November 23, 2010. This well continues to exceed our production type curve expectation. The Harmattan/Garrington Cardium well at 16-36-31-3 W5M began pumping on February 2, 2010 at 163 bopd (114 bopd net) and recovered the remaining load oil after 21 days averaging 86 bopd (60 bopd net) during that period. Thereafter the well produced 374 bbls of oil over 10 days of operation. The Company is currently in the field repairing the pump that failed and while on the lease will conduct operations to attempt to reverse suspected completion damage and improve production. Tamarack averaged 817 boe/d during the month of January 2011, which included Lochend 16-32 being shut-in for the last three days of the month while pumping equipment was installed.

On March 8, 2011, Tamarack disposed of its non-core Inga, northeast B.C. property for net proceeds of \$0.95 million. This property consisted of 11,188 gross acres (5,594 net) of undeveloped land. Tamarack now has 20,416 gross acres (13,827 net) of undeveloped land in the Red Creek and Wilder areas in B.C and is evaluating its options with respect to extracting the maximum value it can from these assets.

As at December 31, 2010, Tamarack was accorded sizeable increases to its proved and proved and probable reserves on the basis of an independent reserve evaluation conducted by InSite Petroleum Consultants Ltd. (“InSite”).

- Proved reserves increased by 31 percent to 1,665 mboe from 1,272 mboe at December 2009.
- Proved plus probable reserves increased by 25 percent to 3,031 mboe from 2,427 mboe at the end of 2009.

As a result of Tamarack’s drilling results for Cardium oil at Lochend and Garrington, the Company’s reserves weighting to oil and natural gas liquids increased substantially to 24 percent of total proved reserve volumes (30 percent of proved plus probable reserves). At the end of 2009, a similar weighting was only 3 percent to oil (5 percent of proved plus probable reserves). Crude oil now accounts for 51 percent of the net present reserve value discounted at 10 percent on a proved plus probable basis.

**Tamarack Valley Energy Ltd.**  
**Summary of Oil and Gas Reserves**  
**Forecast Prices and Costs - InSite December 31, 2010 Prices**  
**Effective December 31, 2010**

Reserves Category	Volumes In Imperial Units									
	Oil		Natural Gas				Natural Gas		Total BOE	
	Light and Medium		Solution		Assoc. & Non- Assoc.		Liquids			
	Gross (MStb)	Net (MStb)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (MStb)	Net (MStb)	Gross (Mboe)	Net (Mboe)
Proved Developed Producing	101.6	92.2	0.0	0.0	5,305.0	3,809.4	13.0	8.0	998.8	735.2
Proved Developed Non-Producing	40.4	37.4	0.0	0.0	2,262.9	1,717.9	24.0	15.1	441.6	338.9
Proved Undeveloped	165.3	147.9	226.1	217.0	0.0	0.0	21.3	16.2	224.2	200.3
<b>Total Proved</b>	<b>307.3</b>	<b>277.6</b>	<b>226.1</b>	<b>217.0</b>	<b>7,567.9</b>	<b>5,527.3</b>	<b>58.3</b>	<b>39.4</b>	<b>1,664.6</b>	<b>1,274.4</b>
Probable	346.7	304.6	320.6	309.1	5,174.7	4,109.5	103.6	72.1	1,366.2	1,113.1
<b>Total Proved + Probable</b>	<b>654.0</b>	<b>582.2</b>	<b>546.7</b>	<b>526.1</b>	<b>12,742.6</b>	<b>9,636.8</b>	<b>162.0</b>	<b>111.5</b>	<b>3,030.8</b>	<b>2,387.5</b>

**Tamarack Valley Energy Ltd.**  
**Summary of Net Present Values of Future Net Revenue**  
**Forecast Prices and Costs - InSite December 31, 2010 Prices**  
**Effective December 31, 2010**

	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Reserves Category	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved Developed Producing	20,943.6	17,644.4	15,332.0	13,631.4	12,331.8	20,943.6	17,644.4	15,332.0	13,631.4	12,331.8
Proved Developed Non- Producing	8,711.7	5,305.1	3,419.6	2,280.1	1,541.4	8,711.7	5,305.1	3,419.6	2,280.1	1,541.4
Proved Undeveloped	9,041.3	6,161.5	4,411.1	3,254.0	2,436.6	7,757.5	5,539.9	4,096.0	3,087.9	2,345.9
Total Proved	38,696.5	29,111.0	23,162.6	19,165.5	16,309.7	37,412.7	28,489.4	22,847.6	18,999.4	16,219.1
Probable	41,999.5	26,914.5	18,968.3	14,264.8	11,217.8	31,543.0	20,484.8	14,672.7	11,219.9	8,964.4
Total Proved + Probable	80,696.0	56,025.4	42,130.9	33,430.3	27,527.6	68,955.7	48,974.2	37,520.2	30,219.2	25,183.5

The Company today filed on SEDAR its audited Consolidated Financial Statements for the year ended December 31, 2010 together with the related Management's Discussion and Analysis and reports relating to reserves data and other oil and gas information pursuant to the requirements of National Instrument 51-101 of the Canadian Securities Administrators. The files can be accessed either on Tamarack's website ([www.tamarackvalleyenergy.com](http://www.tamarackvalleyenergy.com)) or at [www.sedar.com](http://www.sedar.com).

***Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

**About Tamarack Valley Energy Ltd.**

Tamarack 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 at Lochend, Harmattan/Garrington, Buck Lake and Quaich areas in Alberta and at 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 drilling plans and timing, expectations of cost savings and reserve estimates. These forward-looking statements are based on the Company's experience and current beliefs as well as certain factors and assumptions made by, and information currently available to, the Company. 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, including from third parties, 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; 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. 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.*

### **For additional information, please contact:**

**Brian Schmidt**  
**President & CEO**  
**Tamarack Valley Energy Ltd.**  
**Phone: 403.263.4440**  
[www.tamarackvalley.ca](http://www.tamarackvalley.ca)

**Ron Hozjan**  
**VP Finance & CFO**  
**Tamarack Valley Energy Ltd.**  
**Phone: 403.263.4440**