



TSX VENTURE: TVE

Tamarack Valley Energy Provides Q3 and Q4 Production Guidance and Operational Update.

Calgary, Alberta – October 27, 2011 – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce the following operational updates. Third quarter production increased 27% from the previous quarter to approximately 1,100 boe/d of which approximately 42% is oil and natural gas liquids. Tamarack expects third quarter cash flow from operations to increase approximately 34%-36% from the second quarter, with netbacks averaging approximately \$36-\$37 per boe. Tamarack’s total debt as at September 30, 2011 was approximately \$6.0 million which equates to less than 0.6 times debt to annualized estimated third quarter cash flow. Tamarack’s strong balance sheet enables the Company to continue to deliver organic growth on an absolute and per share basis.

Buck Lake Update and Drilling Outlook

Tamarack’s 75% working interest Buck Lake well, located at 3-35-46-6 W5M, was completed in mid-August 2011 with an 18-stage oil fracture stimulation. This well recovered all 7,787 bbls of load oil over an 11 day period and was subsequently tied-in to the Keyera Minnehik-Buck Lake gas plant in late September. The well averaged 1,239 boe/d, consisting of 450 bopd (338 net) of oil and natural gas liquids and 4.73 mmcf/d (3.6 net) of natural gas over a 14 day test. The well is currently producing 983 boe/d consisting of 300 bopd (225 net) of oil and natural gas liquids and 4.1 mmcf/d (3.1 net) of natural gas.

Tamarack’s third well in the Buck Lake area, located at 4-34-46-6 W5M (75% WI), was spudded on September 20, 2011 and frac’d on October 18, 2011. This well has recovered approximately 90% of its load oil to date and testing results will be released in November 2011. This well is exhibiting a higher oil rate and less natural gas production than the 3-35 well at this point during the load recovery.

Tamarack is very excited about the Buck Lake well results and believes shareholders will benefit from excellent production and cash flow in this newly de-risked core area. A development plan will be contained in an updated corporate presentation on the company’s website.

Saskatchewan Heavy Oil

Tamarack added an additional 10.4 net sections of undeveloped land to its 37.3 net sections of land secured in June 2011. Tamarack has done this by adding a second Saskatchewan First Nations deal as well as the addition of Crown and freehold lands. This new core area gives the Company the ability to add low cost production and reserves and provides diversity to Tamarack’s portfolio which is predominantly high impact, light oil assets. This flexibility compliments Tamarack’s overall oil play

strategy by decreasing finding costs, increasing rate of return and managing risk by drilling wells with lower per well costs. Tamarack has identified 22 exploration and development drilling locations along with 46 un-risked contingent locations. The Company has also drilled two net heavy oil wells in October, with completions expected by early November. Two to four additional locations are expected to be drilled by year end.

Increased Credit Facility

Tamarack is also pleased to announce its' credit facilities were reviewed and as a result, the revolving operating demand loan was increased to \$12.0 million from \$6.5 million and the development loan was increased to \$3.0 million from \$2.0 million. The next credit facility review is scheduled for March 31, 2012.

Q4 Production Forecast

In conjunction with the success experienced at Lochend, Garrington and the recently drilled Buck Lake 3-35 well, fourth quarter production from existing producing wells will be between 1,400 and 1,500 boe/d. In addition, the Company expects its' fourth quarter production average will exceed that range as a result of the production adds from the Buck Lake 4-34 well and the two recently drilled heavy oil wells. The Company will update fourth quarter production guidance with the new well results in November. Tamarack also anticipates it will exit 2011 with total debt of less than one times annualized cash flow.

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, Garrington/Harmattan, Buck Lake and Quaich areas in Alberta; southeast of Lloydminster in Saskatchewan; and at Wilder in northeast British Columbia.

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 National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Boe's may be misleading, particularly if used in isolation.

Forward Looking Information

This press release contains certain forward-looking statements within the meaning of applicable securities laws, including statements relating to expected drilling plans and operational activities and results. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "equates", "forecast", "plans", "guidance" and similar expressions are

intended to identify forward-looking statements or information. The intended drilling plans, infrastructure additions, operational activities and results are based on assumptions relating to the timing of past operations and activities in the planned areas of drilling as well as information from consultants on regulatory processes, drilling and fracturing techniques. The statement regarding the impact of the two new Buck Lake wells are forward looking statements based on the assumption that current results continue and that infrastructure additions provide the benefits expected and commodity prices do not decline significantly.

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; 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.

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The TSX has neither approved nor disapproved the contents of this press release.

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