



TSX VENTURE: TVE

Tamarack Valley Energy Provides Operational Update

Calgary, Alberta – February 15, 2012 – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce the following operational updates. Based on field estimates, Tamarack expects fourth quarter production to increase by approximately 36% to 1,503 boe/d from 1,101 boe/d in the third quarter.

Buck Lake Production and Drilling Update

The fourth quarter increase in production was as a result of the Buck Lake 4-34-46-6 W5M (75% WI) well which began producing on November 4, 2011 and the Buck Lake 3-35-46-6 W5M (75% WI) which began producing October 4, 2011. During December, both Buck Lake wells were shut-in for approximately five days to allow for the removal of the frac string, installation of tubing and permanent wellsite facilities. Both wells continue to flow, but the Company expects to add permanent lifting equipment to the 4-34 well during the first quarter of 2012.

The Buck Lake 3-35 well produced for a total of 66 days in the fourth quarter averaging 173 bbls/d (130 net) of oil and natural gas liquids and 2.98 mmcf/d (2.24 net) of natural gas or 670 boe/d (502 net). The Buck Lake 4-34 well produced a total of 49 days in the fourth quarter averaging 174 bbls/d (130 net) of oil and natural gas liquids and 790 mcf/d (593 net) of natural gas or 306 boe/d (229 net). Natural gas liquid recoveries in the Buck Lake area are expected to improve with the reactivation of a deep cut extraction component at the Keyera Minnehik Buck Lake plant that Tamarack’s wells are tied into. This improvement is expected to enhance netbacks beginning in February 2012. Until then, propane extraction will remain at a recovery factor of approximately 35%. This is expected to increase to over 90% when the Keyera plant deep cut reactivation is complete.

Tamarack drilled its fourth well in Buck Lake at 3-34-46-6 W5M (75% WI) in January and expects to perform an 18-stage, slick water fracture stimulation later in February or in March depending on access to services.

Saskatchewan Heavy Oil Update

During the fourth quarter Tamarack drilled four net wells targeting heavy oil of which two in Hayter were completed and brought on production in December. Both Hayter wells produced into inventory and did not contribute any sales in the fourth quarter. Both wells began producing at approximately 20 to 30 bbls/day of total fluid and sand, with a water cut of between 90 and 98%. During December, one well averaged 11 bopd and the other 10 bopd. Both wells continue to clean up with one well currently

producing approximately 15 bopd and the other between eight and 10 bopd. The other two wells drilled in the fourth quarter in the Manitou Lake area in Saskatchewan partially satisfy flow through requirements on funds raised earlier in the fourth quarter. One well encountered a channel and is considered a dry hole, while the second is currently being tested but will be below original expectations. Both locations were identified based on 2-D trade seismic data and off-setting producers.

Tamarack shot approximately six square miles of 3-D seismic in the Manitou Lake area in December and based on preliminary results is encouraged by the number and quality of drilling prospects. The 3-D seismic data confirmed five potential drilling locations that the Company had mapped originally on these lands and added another five potential drilling locations. The 3-D data suggests that some of the locations will have multi-zone potential and some of the original features are estimated to be much larger than originally thought.

Tamarack plans to complete its seismic interpretation program by the end of the first quarter and will begin licensing wells as locations are finalized. Pending rig availability, the Company hopes to resume its heavy oil drilling program either at the end of the first quarter or after spring break-up. Tamarack believes the use of 3D seismic will increase the success of the heavy oil drilling program.

Increased Credit Facility

Tamarack's credit facilities were not due for review until March of 2012, but the Company decided to request a review because of a combination of its successful drilling program in the third and fourth quarter of 2011 and the drop in natural gas prices. Tamarack is pleased to announce the revolving operating demand loan was increased to \$15.0 million from \$12.0 million. The next credit facility review is scheduled for May 31, 2012.

2012 Guidance

Tamarack further de-risked two core areas through drilling and shooting seismic during the fourth quarter of 2011 and the first quarter of 2012. The information resulting from these activities will be used to allocate capital in our 2012 plan. Tamarack is in the process of defining the magnitude of its heavy oil drilling program and is awaiting the results of its recently drilled shallow Alberta Viking oil test. Given continued weakness in natural gas prices, Tamarack will allocate capital to those wells with the lowest oil/gas ratio and some producing gas properties may also be shut in.

Tamarack will issue 2012 production and capital expenditure guidance by the end of the first quarter.

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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