TSX VENTURE: TVE

Tamarack Valley Energy Provides Operational Update and Increases 2011 Oil and Liquids Proved Plus Probable Reserves by 232%

Calgary, Alberta – **March 13, 2012** – Tamarack Valley Energy Ltd. ("Tamarack" or the "Company") is pleased to announce the following operational updates:

- Drilling results from the fourth Cardium light oil well at Buck Lake
- Drilling results from the initial new pool wildcat well on its Alberta Viking oil play
- Increase in the land base on its Alberta Viking oil play through a joint land purchase with a major oil company

Buck Lake Drilling Results

On February 23, 2012, Tamarack completed its first slick water frac with an 18-stage stimulation on the 3-34-46-6 W5M well (75% working interest), its fourth in the Buck Lake Cardium play in west central Alberta. The well began producing on February 24, 2012 and averaged 627 boe/d (470 net) or 419 bbls/d (314 net) of oil and natural gas liquids and 1.25 mmcf/d (0.94 net) of natural gas over the first fifteen days. During that period 18% of the load water was successfully recovered. This well continues to clean up with a current rate of 658 boe/d (494 net). Early results support Tamarack's assessment of the benefits of using slick water over frac oil for its Cardium horizontal stimulations. Compared to the neighbouring well, 3-34's current oil production rate is approximately double. It is Tamarack's belief that the additional fluid volumes and higher pumping rates were more effective at accessing the reservoir than previous oil fracs. Tamarack plans to utilize the slick water as its frac fluid in subsequent Cardium wells at Buck Lake.

Lochend

Tamarack has completed a thorough evaluation of the slick water multi-well fracs implemented over the last nine months in the Company's core Lochend area. Results have shown a 93% uplift in the initial 30 day production to approximately 456 boe/d from approximately 236 boe/d. This material increase in initial production rate will lead to an apparent increase in estimated ultimate recovery of approximately 25%. Tamarack estimates that it will also realize capital cost reductions of at least 10%, further enhancing the economics of Tamarack's light oil resource play. Tamarack plans to utilize a slick-water completion system when drilling its 02-29-26-03 W5M (100% working interest) horizontal Cardium light oil Lochend well during spring break-up.

Viking Oil Play

Tamarack is also pleased to announce the location of its fourth oil focused resource play and the drilling results of its first shallow Viking oil well. The shallow Viking oil resource play is located in the Foley Lake area of Alberta on trend with the Redwater Viking oil play. Keying off older vertical Viking oil producers, Tamarack has established significant exposure to a large Viking oil resource which can be exploited through the application of horizontal drilling and completion techniques. Tamarack's initial well at 05-09-66-06 W5M was drilled horizontally 645 meters. The first 285 meters of the horizontal section encountered high to medium reservoir quality, as expected, and the remaining 360 meters were considered out of zone in non-pay tighter sands. The well was stimulated with a non-nitrified, gel based water frac. Difficulty was encountered breaking down the tight sections; however the medium to high grade sand broke similar to wells in the Redwater area. The well was left for a week while pumping equipment was installed which may have hampered the wells initial productivity. The well produced 129 bbls of oil and 706 bbls of water over a producing period of 17 producing days. About 17% of the frac water load has been recovered. Although rate falls below expectation, Tamarack is encouraged by the results of this initial well and continued to add to its Viking oil lands during the first quarter. Tamarack has learned the following:

- the entire well length and Viking zone is oil charged;
- post frac invasion of bottom water was not evident (the presence of water in a lower zone was an initial risk on this play);
- production rates lower than offset vertical wells are likely influenced by the result of not being able to stay in zone while drilling and possibly by the frac fluid selection; and,
- gas / oil ratio (GOR) is low and will not adversely affect recoveries – similar to Redwater

A major oil company, with considerable experience drilling horizontal Viking oil wells in the Redwater area, drilled a well offsetting the Tamarack lands. Tamarack and the major jointly acquired five gross (2.5 net) sections of land on trend with good surrounding vertical well control. The new lands increase Tamarack's Viking land position in this area to 25.25 net sections. Since Tamarack's initial well was drilled, the major oil company has applied for down-spacing on the lands adjacent to Tamarack and is preparing to drill its second well.

Over spring break-up the 05-09 well will be shut in for pressure buildup and Tamarack will analyze rock core and fluid properties. The well was designed to be re-fractured in one or more stages enabling Tamarack to begin optimizing its frac fluid selection. With the addition of the new lands and the confirmation of the significant oil in place, Tamarack has numerous unrisked drilling locations at a well density similar to the Redwater area. Although production rates were lower than expected, some of the original risks have been eliminated. Tamarack is encouraged by the rock quality and continues to believe this is an early stage new oil resource play. Tamarack will continue to add land in the area and work with its major industry partner to optimize future efforts and find the right stimulation design and geo-steering techniques, which are the next steps to effectively de-risking this play.

Year-end Reserves

Tamarack continues to execute its strategy as an oil and liquids rich resource focused company. As at December 31, 2011, Tamarack was accorded sizeable increases to its proved and proved plus probable reserves on the basis of an independent reserve evaluation conducted by InSite Petroleum Consultants Ltd.

- Proved plus probable reserves increased by 87% to 5,652.9 mboe from 3,030.8 mboe
- Liquids proved plus probable increased by 232% to 2,706.0 mboe from 816.0 mboe
- Proved reserves increased by 66% to 2,763.3 mboe from 1,664.6 mboe
- Tamarack replaced 787% of its 2011 production

The Company's reserves weighting to oil and natural gas liquids increased substantially to 48% of its total proved plus probable reserve volumes (45% of proved reserves) as a result of Tamarack's drilling results for Cardium oil at Lochend, Garrington and Buck Lake. Crude oil, including heavy oil and associated products, now accounts for 81% of the net present reserve value discounted at 10% on a proved plus probable basis.

Tamarack Valley Energy Ltd.
Summary of Oil and Gas Reserves
Forecast Prices and Costs - InSite December 31, 2011 Prices
Effective December 31, 2011

Volumes In Imperial Units

	Oil				Natural Gas							
	Light and Medium		Heavy		Solution		Assoc. & Non-Assoc.		Natural Gas Liquids		Total BOE	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Reserves Category	(MStb)	(MStb)	(MStb)	(MStb)	(MMcf)	(MMcf)	(MMcf)	(MMcf)	(MStb)	(MStb)	(Mboe)	(Mboe)
Proved Developed Producing	315.3	273.9	16.4	16.1	1,233.9	1,166.6	4,418.9	3,285.3	63.5	47.5	1,337.4	1,079.5
Proved Developed Non-Producing	19.8	18.0	0.0	0.0	150.1	142.4	1,950.5	1,475.4	33.0	21.6	403.0	309.3
Proved Undeveloped	739.6	640.9	0.0	0.0	1,353.6	1,263.4	0.0	0.0	57.7	46.7	1,022.9	898.2
Total Proved	1,074.8	932.8	16.4	16.1	2,737.6	2,572.5	6,369.5	4,760.7	154.2	115.8	2,763.3	2,286.9
Probable	1,237.1	1,039.0	8.4	8.2	3,643.2	3,368.9	4,931.1	3,864.4	215.1	160.2	2,889.6	2,413.0
Total Proved + Probable	2,311.9	1,971.8	24.8	24.3	6,380.8	5,941.4	11,300.6	8,625.1	369.3	276.0	5,652.9	4,699.9

Tamarack Valley Energy Ltd.
Summary of Net Present Values of Future Net Revenue
Forecast Prices and Costs - InSite December 31, 2011 Prices
Effective December 31, 2011

	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	39,591.0	33,456.6	29,044.5	25,753.5	23,221.0	39,591.0	33,456.6	29,044.5	25,753.5	23,221.0
Proved Developed Non-Producing	9,167.4	5,741.0	3,829.9	2,685.5	1,959.7	9,167.4	5,741.0	3,829.9	2,685.5	1,959.7
Proved Undeveloped	35,706.2	23,971.2	16,409.7	11,289.4	7,673.6	32,259.1	22,045.9	15,295.5	10,624.0	7,264.9
Total Proved	84,464.7	63,168.8	49,284.1	39,728.5	32,854.3	81,017.6	61,243.5	48,169.9	39,063.1	32,445.6
Probable	104,802.3	66,868.8	45,484.9	32,380.6	23,790.3	79,055.0	50,242.6	34,046.2	24,113.1	17,581.5
Total Proved + Probable	189,267.0	130,037.6	94,769.0	72,109.0	56,644.6	160,072.6	111,486.1	82,216.1	63,176.2	50,027.1

Based on internal estimates of 2011 capital expenditures, finding and development costs, including future development capital ("FDC"), were approximately $27.01/boe on a proved plus probable basis and approximately $40.32/boe on a proved basis. During 2011, Tamarack also added 19,217 net acres of undeveloped land in its four core areas, shot 6.88 square miles of 3-D seismic and de-risked two of its resource plays. Excluding land and seismic, finding costs including FDC were approximately $31.30/boe on a proved basis and approximately $22.56/boe on a proved plus probable basis. Finding and on-stream costs in 2011 were burdened by the costs of rounding out its four resource play oil strategy. Having acquired land and seismic in 2011, Tamarack expects 2012 capital expenditures to be skewed towards drill bit activities. Recycle ratios using third quarter 2011 netbacks of $36.95/boe yields a recycle ratio of 1.4. Netbacks were calculated by subtracting royalties and operating costs from revenues.

The Company today filed its 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 on SEDAR. The files can be accessed either on Tamarack's website at www.tamarackvalley.ca or on SEDAR at 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, Garrington/Harmattan, Buck Lake, Foley Lake and Quaich areas in Alberta; southeast of Lloydminster in Saskatchewan; and at Wilder in northeast British Columbia.

Unit Cost Calculation and Other Terminology

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. Finding and Development costs and netbacks have been calculated in the required manner under NI 51-101. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

Forward Looking Information

This press release contains certain forward-looking statements within the meaning of applicable securities laws, including statements relating to benefits of certain fracturing techniques, intentions for future drilling and completion techniques, expected drilling plans and asset mix, corporate netbacks and recycle ratios 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 statements are based on assumptions relating to results during testing, the results of past operations and activities in the planned areas of drilling as well as information from consultants on processes, drilling and fracturing techniques.

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; testing results not being sustained during ongoing operations, 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 and reserve estimates, 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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