



**TSX VENTURE: TVE**

**Tamarack Valley Energy Ltd. Updates Strategic Viking Oil Acquisition and  
\$16.5 Million Bought Deal Financing**

**Calgary, Alberta – April 5, 2012** – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce that it has filed a preliminary prospectus with the Alberta Securities Commission in connection with the \$16.5 million bought deal financing announced on March 26, 2012. Upon announcement of the acquisition of Echoex Ltd. (the “Transaction”), the TSX -V halted trading in the Company’s common shares pending review of the acquisition. Tamarack expects the TSX- V will resume trading TVE common shares within the next day. The Transaction and financing are still subject to the approval of the TSX-V which the Company expects to receive once it submits the required documentation.

**Summary of the Transaction**

As stated in the previous release, Tamarack is acquiring high quality, high netback light oil assets, located predominantly in the Redwater area of Alberta and along the Redwater Viking trend. Production and reserves are weighted towards Viking oil and materially enhance Tamarack’s exposure to this low cost, highly economic, repeatable light oil resource play. Echoex’s two primary Viking oil properties, Redwater and Westlock, are on trend with Tamarack’s existing shallow Viking oil play in Foley Lake and have significant growth and upside potential, adding over 60 ready to drill horizontal Viking locations and the potential to add considerable drilling scope on undeveloped Viking oil lands. In addition, the acquisition includes lands adjacent to Tamarack’s existing core Manitou heavy oil play that provide excellent upside on prospects already identified by Tamarack, some of which will be drilled in 2012.

The Transaction has the following characteristics:

- Total Transaction price (including net debt) \$62.9 million
- Production<sup>(1)</sup> 980 boe/d (46% Oil + NGLs)
- Proved reserves<sup>(2)</sup> 3.2 MMboe (56% Oil + NGLs)
  - Proved Developed Producing 1.8 MMboe (41% Oil + NGLs)
  - Proved Undeveloped 1.4 MMboe (77% Oil + NGLs)
- Proved plus probable reserves<sup>(2)</sup> 4.4 MMboe (57% Oil + NGLs; this would represent 44% of the pro-forma entity)

- Proved plus probable RLI<sup>(3)</sup> 12.2 years
- Operating netback<sup>(4)</sup> of \$36.92/boe

With this Transaction, Tamarack will have three out of four key plays de-risked. Tamarack believes the Redwater Viking oil play can be expanded on existing Echoex lands through increased drilling density and enhanced oil recovery techniques. Tamarack will apply its expertise at developing horizontal oil resource plays to this newly expanded shallow Viking oil position along the Redwater trend, through new lands in Westlock and to the lands previously acquired by Tamarack at Foley Lake.

After giving effect to the Transaction, Tamarack will have materially expanded its Viking oil exposure and diversified geological risk across a broader suite of highly economic oil projects. Post Transaction, Tamarack will have an inventory of approximately 238 un-risked oil drilling locations which positions the Company for continued low risk growth on an absolute and per share basis. With this Transaction, Tamarack will have higher cash flow and access to a lower per well cost drilling inventory. The Company will generate production growth that is internally funded, at commodity prices below current strip pricing. These plans will focus on low risk, low GOR, high netback drilling primarily in Lochend/Garrington Cardium oil plays and the new Redwater Viking oil play. Tamarack expects to spend approximately 40% of remaining 2012 capital expenditures on Echoex properties. Locations are being selected for a multi-well shallow Viking oil drilling program that could commence as early as July. While rounding out the four core areas in 2011, the Company spent approximately 30% of its capital on land and seismic. Consequently, capital expenditures for 2012 will be focused on the drill bit, and the Company will select high impact high netback oil wells in the three de-risked core areas.

The Company will provide updated guidance after the Transaction closes. Year end 2011 financials will also be released after closing.

- (1) Anticipated production at the time of closing of the Transaction.
- (2) Based on Echoex's third party engineering report prepared by GLJ Petroleum Consultants Ltd. in accordance with NI 51-101 requirements and as of December 31, 2011, on gross reserves which mean Echoex's working interest reserves before the calculation for royalties, and before the consideration of Echoex's royalty interest reserves.
- (3) Based on production of 980 boe/d.
- (4) Based on an internal Company estimate for the fourth quarter average for 2012 with the following assumptions: Edmonton Par Pricing of \$80/bbl, \$2.20/GJ AECO, C\$/US\$ exchange ratio of 1.0 and assuming 10 Redwater wells are brought on production by October 1, 2012.

***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 51-10. Netbacks are calculated by subtracting royalties and operating costs from revenues including the effects of hedging. 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 timing of lifting the trading halt, the approval of the Transaction by the TSX-V, the benefits of the Transaction to Tamarack including production, land inventory, and value, reserve additions, reserve life index, impact on cash flow, production and reserves per share, impact on asset mix, corporate netbacks 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 discussions with the TSX-V, historical information, due diligence on the Transaction, the results of past operations and activities in the planned areas of drilling as well as information from consultants. The assumptions for the Transaction and equity financing are that they will close as expected with all the conditions being satisfied in the time anticipated.*

*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 regulatory review and approvals of the Transaction and the financing, 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; unexpected liabilities; commodity prices, the uncertainty of estimates and projections relating to production and reserve estimates, land value, 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 primary risks associated with closing the Transaction relate to the financing and the risks to the financing relate primarily to satisfying disclosure requirements of the securities commission within the time periods required and material adverse changes.*

*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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