



TSX VENTURE: TVE

Tamarack Valley Energy Ltd. Announces 98% Increase to Proved Plus Probable Reserves Including a 160% Increase to Oil and Natural Gas Liquids Reserves

Calgary, Alberta – March 12, 2013 – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce the results of its independent reserves evaluation as at December 31, 2012. The Company filed its Annual Information Form (“AIF”) today, which included information pursuant to the requirements of National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”) of the Canadian Securities Administrators relating to reserves data and other oil and gas information on SEDAR. The AIF can be accessed either on Tamarack’s website at www.tamarackvalley.ca or on SEDAR at www.sedar.com.

2012 Year-end Reserve Highlights

The results presented below use unaudited 2012 year-end net debt of approximately \$47.5 million, issued and outstanding shares of 29,706,752 at December 31, 2012 and capital expenditures of approximately \$36 million and \$96 million including the Echoex Ltd. corporate acquisition. All reserves comparisons relating to 2012 and 2011 are as at December 31, for each respective year. Reserves figures contained in the independent reserve evaluation, were prepared in accordance with NI 51-101 as at December 31, 2012 by GLJ Petroleum Consultants Ltd. (“GLJ”), Tamarack’s independent reserves evaluator.

Highlights:

- Increased Proved plus Probable reserves by 98% to 11.185 million boe in 2012 from 5.653 million boe in 2011.
- Increased Proved plus Probable oil and natural gas liquids reserves by 160% to 7.047 million barrels in 2012 from 2.706 million barrels in 2011. On a per share basis Proved plus Probable oil and natural gas liquids reserves increased by 44% in 2012 from 2011. Oil and natural gas liquids made up 63% of the Company's total Proved plus Probable reserves in 2012 up from 48% in 2011.
- 90% of the Proved plus Probable reserves value based on Net Present Value discounted at 10% Before Tax ("NPV10 BT") as at December 31, 2012 resides in Tamarack’s Cardium oil and Viking oil core areas.

- Tamarack's Net Asset Value ("NAV") is estimated at \$4.11 per basic share based on NPV10 BT Proved plus Probable (2P) reserves at December 31, 2012 less estimated net debt, divided by issued and outstanding shares. A value for undeveloped land was not included in this calculation.
- Tamarack's NAV is estimated at \$2.12 per basic share based on NPV10 BT Proved (1P) reserves at December 31, 2012 less estimated net debt, divided by issued and outstanding shares. A value for undeveloped land was not included in this calculation.
- Replaced 1211% of its oil and natural gas liquids production on a Proved plus Probable basis, calculated by dividing oil and natural gas liquids reserve additions of 4.358 million barrels by the estimated 2012 average oil and natural gas liquids production of 986 bbls/d.
- Achieved Proved plus Probable finding and development ("F&D") costs of \$20.68/boe for the year ended December 31, 2012 (including the change in future development capital or "FDC"). The Company also achieved Proved plus Probable finding, development and acquisition ("FD&A") costs of \$23.56/boe during the same period, including the change in FDC.
- Replaced 704% of production on a Proved plus Probable basis, calculated by dividing total reserve additions by total estimated average 2012 production of 2,160 boe/d.
- Achieved a recycle ratio of 2.3 with F&D costs of \$20.68/boe, including the change in FDC, and estimated unaudited operating netback of \$46.60/boe for the year ended December 31, 2012 on Tamarack's oil producing properties in Lochend, Garrington and Redwater.
- Achieved a Proved plus Probable Reserve Life Index (RLI) of 11.6 years based on the third quarter 2012 average production of 2,657 boe/d.

Growth in 2012 was achieved by drilling 8.0 (4.8 net) Cardium oil wells, 12.0 (11.6 net) Viking oil wells, 3.0 net heavy oil wells and from the completion of the Company's acquisition of Echoex Ltd. in April, 2012. This successful drilling program contributed to significant production and cash flow growth per share. Based on December 2012 field estimates, Tamarack increased oil and natural gas liquids production per share by 82% for the year ended December 31, 2012 from the same period in 2011. Based on unaudited financial estimates, Tamarack also increased funds from operations per share by approximately 9% for the year ended 2012 from 2011. Based on unaudited financial estimates for the fourth quarter of 2012, the Company achieved an F&D recycle ratio of 1.5 on all of its properties based on an estimated corporate operating netback of \$30.82/boe.

As previously disclosed on February 7, 2013, based on December 2012 field estimates, Tamarack estimates its 2012 production will average 2,160 boe/d. This would represent a 102% increase compared to average 2011 production of 1,069 boe/d and a 16% increase on a per share basis. The Company estimates that oil and natural gas liquids production increased 82% per share and on an absolute basis and increased 217% to 994 bbls/d in 2012 from 314 bbls/d in 2011.

Tamarack is executing its longer term strategy of entering into predictable and repeatable resource plays at an early stage, when it can assemble a large high quality land position. The two plays on which

Tamarack focused its growth in 2012, Cardium oil at Lochend and Garrington and Viking oil at Redwater and Westlock, now account for 90% of the Company's reserve value. Tamarack entered 2013 with over 115 lower risk development drilling locations on these two core plays, which equates to 6 years of drilling inventory.

The following tables highlight the 2012 year-end reserves based on the GLJ independent evaluation of the Company's reserves dated effective December 31, 2012. The evaluation was conducted pursuant to NI 51-101 and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") reserves definitions.

Tamarack Valley Energy Ltd.
Summary of Oil and Gas Reserves
Forecast Prices and Costs - GLJ (2013-01) Prices
Effective December 31, 2012

Volume In Imperial Units

Reserves Category	Oil									
	Light and Medium		Heavy		Natural Gas		Natural Gas Liquids		Total BOE	
	Gross (MStb)	Net (MStb)	Gross (MStb)	Net (MStb)	Gross (MMcf)	Net (MMcf)	Gross (MStb)	Net (MStb)	Gross (Mboe)	Net (Mboe)
Proved Developed Producing	1,560	1,354	31	28	10,248	8,753	121	89	3,420	2,930
Proved Developed Non-Producing	105	91	16	15	1,818	1,628	60	43	484	420
Proved Undeveloped	2,181	1,940	-	-	2,283	2,098	137	103	2,698	2,392
Total Proved	3,846	3,385	47	43	14,349	12,479	318	234	6,602	5,742
Probable	2,424	2,068	55	49	10,478	9,101	358	257	4,583	3,891
Total Proved + Probable	6,270	5,453	101	92	24,827	21,580	676	491	11,185	9,633

(Note: Columns may not add due to rounding.)

Tamarack Valley Energy Ltd.
Summary of Net Present Values of Future Net Revenue
Forecast Prices and Costs - GLJ (2013-01) Prices
Effective December 31, 2012

Reserves Category	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)				
	0% (\$M)	5% (\$M)	10% (\$M)	15% (\$M)	20% (\$M)	0% (\$M)	5% (\$M)	10% (\$M)	15% (\$M)	20% (\$M)
Proved Developed Producing	93,247	79,930	69,479	61,497	55,322	93,247	79,930	69,479	61,497	55,322
Proved Developed Non-Producing	12,183	8,504	6,530	5,347	4,566	12,183	8,504	6,530	5,347	4,566
Proved Undeveloped	78,972	51,466	34,567	23,495	15,864	72,568	48,204	32,826	22,527	15,306
Total Proved	184,402	139,900	110,577	90,338	75,753	177,999	136,639	108,836	89,370	75,195
Probable	143,729	88,416	59,163	42,185	31,499	107,790	67,025	45,343	32,723	24,742
Total Proved + Probable	328,132	228,317	169,740	132,523	107,252	285,789	203,664	154,179	122,094	99,937

(Note: Columns may not add due to rounding. Estimates of net present value do not represent fair market value.)

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. Tamarack's diversified suite of oil-focused assets provides exposure to the high impact Cardium light oil resource plays in Lochend, Garrington/Harmattan and Buck Lake in Alberta, low cost Viking light oil resource plays in Redwater, Foley Lake and Westlock in Alberta and heavy oil opportunities southeast of Lloydminster in Saskatchewan.

Abbreviations

bbl	barrel
bbls/d	barrels per day
boe	barrel of oil equivalent
boe/d	barrels of oil equivalent per day
Mboe	thousand barrels of oil equivalent
mcf	thousand cubic feet
MMcf	million cubic feet
MStb	thousand stock tank barrels
NGL	natural gas liquids
\$M	thousands of dollars

Unit Cost Calculation and Other Terminology

Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf (thousand cubic feet) to 1 bbl (barrel) is based on 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 NI 51-101.

F&D cost calculations have been conducted in compliance with the requirements of NI 51-101. Specifically, F&D costs relating to Proved reserves were calculated by adding the cost of exploration, the cost of development and the annual change in estimated future reserves development costs and dividing that sum by annual additions to Proved reserves. Finding and development costs for Proved plus Probable reserves were similarly calculated, but used the Proved plus Probable reserves figure rather than the Proved reserves figure. 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. Tamarack also calculates FD&A costs using the same method, but without eliminating the effects of acquisitions and dispositions. The following is a summary of Tamarack's F&D and FD&A costs for the most recent three financial years.

	F&D (\$/boe)		FD&A (\$/boe)	
	Proved	Proved plus Probable	Proved	Proved Plus Probable
2010	26.78	28.08	32.85	32.68
2011	40.30	27.01	40.30	27.01
2012	26.17	20.68	28.87	23.56
Three Year Average	31.08	25.26	34.01	27.75

Operating netbacks are calculated in compliance with the requirements of NI 51-101 by subtracting royalties and operating costs from revenue.

Forward Looking Information

This press release contains certain forward-looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “plan”, “potential”, “intend”, “objective”, “continuous”, “ongoing”, “encouraging”, “estimate”, “expect”, “may”, “will”, “project”, “should”, or similar words suggesting future outcomes. More particularly, this press release contains statements relating to capital spending, expected drilling plans and operational activities, cash flow and future production results. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack relating to prevailing commodity prices, access to crude oil and natural gas markets, the availability of drilling rigs and other oilfield services, the timing of past operations and activities in the planned areas of focus, the drilling, completion and tie-in of wells being completed as planned, facility expansions being completed as planned, the performance of new and existing wells, the application of existing drilling and fracturing techniques, the continued availability of capital and skilled personnel, the ability to maintain or grow the banking facilities and the accuracy of Tamarack’s geological interpretation of its drilling and land opportunities. 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 are subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. 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. Please refer to Tamarack’s AIF dated March 12, 2013 for additional risk factors relating to Tamarack. The AIF is available for viewing under the Company’s profile on www.sedar.com.

The forward-looking statements contained in this press 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.

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