



TSX VENTURE: TVE

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## **Tamarack Valley Energy Ltd. Closes its Wilson Creek Acquisition**

**Calgary, Alberta – September 30, 2014** – Tamarack Valley Energy Ltd. (“**Tamarack**” or the “**Company**”) is pleased to announce that it has, through its wholly-owned subsidiary, successfully completed its previously announced acquisition of 100% of Suncor Energy’s interests in the Wilson Creek area of Alberta (the “**Acquisition**”) for an aggregate purchase price of \$168.5 million, prior to closing adjustments. The Acquisition is highly accretive to Tamarack and further bolsters the Company’s strategic Cardium focused land position in the Wilson Creek area where the Company has achieved some of the highest production rates. As a result of the Acquisition and as previously disclosed on September 3, 2014, Tamarack has increased its 2014 estimated exit production guidance by approximately 30% to 9,500 boe/d (approximately 60% oil & NGLs) from 7,300 to 7,500 boe/d.

The purchase price for the Acquisition was financed, in part, by Tamarack’s recently increased credit facilities and the net proceeds of the previously announced public offering of 16,100,000 subscription receipts of the Company (the “**Subscription Receipts**”) completed by the Company on September 26, 2014 for gross proceeds of \$115,115,000. In accordance with their terms, each Subscription Receipt was deemed to be exchanged for one common share of the Company (“**Common Share**”) on September 30, 2014 upon the closing of the Acquisition. The Subscription Receipts will be delisted from the TSX Venture Exchange (the “**TSXV**”) and the Common Shares issued on the exchange of the Subscription Receipts will commence trading on the TSXV in the next few days.

Immediately prior to the closing of the Acquisition, the Corporation increased its existing credit facilities from \$110 million to \$150 million (the “**Increased Facilities**”). The Increased Facilities are secured by a \$300 million demand debenture with a floating charge over all of the assets of the Company and each of its subsidiaries.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

## **Preliminary 2015 Guidance**

Although Tamarack has not finalized its 2015 capital budget, the Company anticipates that the Wilson Creek asset will be able to generate free cash flow by the third quarter of 2015, enabling Tamarack to further accelerate drilling on the Cardium farm-in opportunity it entered into in August of 2013.

As disclosed on September 3, 2014, Tamarack is pleased to announce preliminary 2015 guidance as follows:

- 2015 capital expenditure budget of approximately \$170 to \$180 million.
- 2015 estimated average production rate of between 11,500 to 12,000 boe/d (approximately 55-60% oil & NGLs).
- 2015 estimated exit production rate of between 14,000 to 14,500 boe/d (approximately 55-60% oil & NGLs).
- 2015 estimated cash flow from operations of between \$140 to \$150 million, assuming a 2015 Edmonton par price average of \$89.00/bbl and AECO price average of \$3.57/GJ.
- Estimated 2015 year end debt to annualized fourth quarter 2015 funds flow from operations of approximately 1.0x.

Tamarack intends to bring on two to three rigs in the Wilson Creek area and spud 6 to 8 net 1-mile horizontal Cardium oil wells by year end 2014.

Tamarack expects to finalize its 2015 budget by the end of November, 2014.

## **About Tamarack Valley Energy Ltd.**

Tamarack is an oil and gas exploration and production company committed to long-term growth and the increased identification, evaluation and operation of resource plays in the Western Canadian sedimentary basin. Tamarack's strategic direction is focused on two key principles – targeting resource plays that provide long-life reserves, and using a rigorous, proven modeling process to carefully manage risk and identify opportunities. The Company has an extensive inventory of low-risk development oil locations in the Redwater Viking play. While continuing to build on its sustainable growth platform, Tamarack also increased its low-risk development locations within the Cardium fairway through a farm-in agreement with an industry major and recently completed acquisition in Wilson Creek. These endeavors add to Tamarack's strong resource portfolio, including Cardium properties at Lochend, Garrington and Buck Lake and heavy oil properties in Saskatchewan. With a balanced portfolio, and an experienced and committed management team, Tamarack intends to continue to deliver on its promise to increase its production and maximize shareholder return.

In April 2014, Tamarack was honored as one of the TSX Venture 50. The TSX Venture 50 is a ranking of the strongest performing TSX-V companies in 2013 and is assessed on the basis of a combination of share price appreciation, trading volumes, change in market capitalization and analyst coverage. The index is comprised of ten companies from each of five sectors: Clean Technology, Oil and Gas, Diversified Industries, Mining, and Technology & Life Sciences.

## Abbreviations

bbl	barrel
boe/d	barrels of oil equivalent per day
NGL	natural gas liquids

## 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. Boe's may be misleading, particularly if used in isolation. 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.

## 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 concerning Tamarack's future drilling plans and operations, estimated exit production rate in 2014, estimated 2015 capital expenditure budget, estimated average and exit 2015 production rates and anticipated listing of the Common Shares and de-listing of the Subscription Receipts on the TSXV. The forward-looking statements contained in this documents are based on certain key expectations and assumptions made by Tamarack relating to the anticipated benefits of the Acquisition, prevailing commodity prices, 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, 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 increase 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.

Also included in this press release are estimates of Tamarack's 2015 cash flow from operations and 2015 year end debt to annualized fourth quarter of 2015 cash flow from operations, which are based on the assumptions as to production levels, capital expenditures and commodity pricing disclosed in this press release. To the extent that such estimates constitute a financial outlook within the meaning of applicable securities laws, they were approved by management of Tamarack on September 30, 2014 and are included to provide readers with an understanding of Tamarack's anticipated cash flow based on the

capital expenditure and other assumptions described herein. Readers are cautioned that the information may not be appropriate for other purposes. The actual results of Tamarack will likely vary from the amounts set forth in the financial outlook and such variation may be material.

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 Annual Information Form ("AIF") dated March 13, 2014 for additional risk factors relating to Tamarack. The AIF is available for viewing under the Company's profile on [www.sedar.com](http://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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