



TSX VENTURE: TVE

## **Tamarack Valley Energy Ltd. Announces \$47 Million Capital Budget for 2015**

**Calgary, Alberta – January 28, 2015** – Tamarack Valley Energy Ltd. (“**Tamarack**” or the “**Company**”) is pleased to announce its Board of Directors has approved the 2015 capital expenditure budget. Tamarack has always been a rate of return driven company focused on drilling wells that target a return on capital cost payout of 1.5 years or less. With the current commodity price environment and current cost of services, the number of investment opportunities able to deliver these types of economic returns has been drastically reduced. Although Tamarack believes it has some of the most economic drilling prospects in the basin, management has prudently elected to significantly reduce its drilling program compared to 2014 in order to preserve capital, prospect returns and ensure an expedited return on future capital deployed. The Company plans to limit its 2015 capital expenditure program to spending within cash flow and will back-end weight the capital program such that it will pay down debt during the first half of 2015 and maintain financial flexibility. Tamarack is prepared to adjust its capital budget accordingly to account for changes in commodity prices as the year progresses.

The 2015 capital budget and revised guidance are as follows:

- \$47 million capital program with only \$10.5 million being spent in the first half of 2015.
- 2015 average price assumptions: WTI \$50/bbl (\$46/bbl Q1/15, \$54/bbl Q4/15); Edm Par \$51.60/bbl; AECO \$2.65/GJ; \$0.85 Canadian dollar.
- Production is estimated to average 8,000 boe/d in Q1/15 with a 60% weighting to oil and natural gas liquids. This forecast excludes behind pipe volumes of approximately 1,205 boe/d and 435 boe/d shut-in to preserve economics.
- Based on current strip pricing, the Company expects to reduce net debt to approximately \$116 to \$118 million by the end of the second quarter of 2015.

### **Operations Update**

Tamarack’s operated oil battery in the Wilson Creek area of Alberta was back operating near capacity by mid-January 2015, processing 3,700 to 3,800 bbls/d of oil. The Company estimates it lost approximately 1,050 boe/d to its January 2015 average with the downtime associated with a fire-tube failure disclosed on January 2, 2015.

The Company drilled 2 net Cardium horizontal oil wells in Wilson Creek in early January 2015, bringing the total to 3 net Cardium horizontal oil wells that have already been drilled that are waiting to be fracture stimulated. Tamarack has elected to exercise fiscal prudence in this current commodity price

environment, in order to preserve the Company's high return on capital. These wells, combined with the Alder Flats well that has been shut-in since the third quarter of 2014 due to facility constraints, will allow Tamarack to ramp up production when economic conditions improve. The Company estimates it has approximately 1,205 boe/d behind pipe in the Wilson Creek / Alder Flats area.

Tamarack plans to use this period of reduced drilling activity to continue its ongoing initiative to reduce costs further and improve capital efficiencies.

### **Termination of Investor Relations Agreement**

Tamarack have agreed to mutually terminate the investor relations agreement with Renmark Financial Communications Inc. ("Renmark") effective January 28, 2015. The termination of the Company's investor relations services is part of on-going cost cutting measures during the current low commodity price environment. Tamarack would like to thank the staff at Renmark for their support.

### **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 Pembina, Wilson Creek, Garrington and Lochend Cardium fairway and the Redwater shallow Viking play. With a balanced portfolio, and an experienced and committed management team, Tamarack intends to continue to deliver on its promise to maximize shareholder return while managing its balance sheet.

### **Abbreviations**

bbl	barrel
bbls/d	barrels per day
boe/d	barrels of oil equivalent per day

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

### **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 include statements concerning Tamarack's capital spending, operational activities, net debt levels and anticipated production rates. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack relating to 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, fracture stimulation, 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, surface access to wells, weather conditions, the continued availability of capital and skilled personnel, the ability to maintain or grow the banking facilities, if necessary 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 particularly given the uncertainty of the commodity price environment.

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; the 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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