TSX: TVE

Tamarack Valley Energy Ltd. Achieves Record Fourth Quarter 2015 Production With Lower Expenditures and Debt and Provides 2016 Guidance

Calgary, Alberta – January 19, 2016 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") is pleased to announce that a successful second half 2015 drilling program in the Wilson Creek and Alder Flats areas of Alberta contributed to a record fourth quarter 2015 production average of approximately 9,870 boe/d (59-60% liquids) (using field estimates for December, 2015), exceeding Tamarack's exit guidance of 9,500-9,700 boe/d (55-60% liquids). Tamarack achieved its exit production target while spending less than $120 million in capital expenditures for 2015 compared to guidance of $125-130 million. In light of crude oil prices declining during the fourth quarter, the Company cancelled a facility expansion project and drilled two fewer wells. Tamarack exited 2015 with total net debt estimated at between $100-105 million compared to guidance of between $115-120 million.

2016 Capital Program and Guidance

Tamarack prudently managed through a very difficult and challenging 2015. While commodity prices have continued to decline, the Company has been able to show modest production per share growth while reducing debt, increasing credit facility liquidity and adding high-quality drilling inventory in its core areas. These achievements were supported by reductions in capital, operating and general and administrative costs, Tamarack's strategic hedging program, capital efficiency improvements and being attractively situated amidst significant facility and pipeline infrastructure in the Wilson Creek and Alder Flats areas. These accomplishments have positioned the Company to withstand the current commodity price environment in 2016 without negative impact to its balance sheet.

Tamarack has structured its 2016 budget based on the following principles:

- Balance sheet protection and maintaining appropriate bank line liquidity are the top priorities.
- Capital will be allocated to projects offering the highest rates of return and that achieve 1.5 year payouts or better, regardless of whether they are oil or natural gas weighted.
- Capital will only be allocated to areas where Tamarack owns and operates its facilities and has a competitive cost advantage.
- Tamarack will utilize the benefits of existing facility infrastructure in the Wilson Creek and Alder Flats areas where approximately 75-80% of its 2016 capital expenditures will be directed.
- The Company has implemented design changes and incurred service cost reductions resulting in a 10-12% improvement in capital efficiency at Wilson Creek and Alder Flats during the fourth quarter of 2015.
- Capital expenditures are expected to be evenly distributed between the first half and second half of 2016, giving the Company flexibility to adjust capital if required. The Company may choose to reduce capital expenditures in the latter half of the year if commodity prices do not improve by the second quarter of 2016.

- Drilling capital may be reallocated to acquisitions, if acquiring production in Tamarack's core areas becomes more economic than drilling.

Tamarack is pleased to announce its 2016 guidance as follows:

- Capital expenditures of $52-57 million.
- Average production of 9,500-9,700 boe/d (approximately 52-57% oil & NGLs).
- Exit production of 9,600-9,800 boe/d (approximately 52-57% oil & NGLs).
- Estimated 2016 year end 12-month trailing debt to cash flow (including hedges) ratio of less than 1.6 times.
- At least $50 million of liquidity maintained on bank lines.

Tamarack's 2016 capital expenditure program and associated guidance is based on the following commodity price assumptions:

- WTI average $40.00/bbl USD (starting at $33.00/bbl in January 2016 and improving to $45.00/bbl by the end of 2016).
- Edmonton par price average $51.45/bbl.
- AECO average $2.45/GJ (starting at $2.35/GJ in January 2016 and improving to $2.70/GJ by the end of 2016).
- Canadian/US dollar exchange rate average of $0.70.

Tamarack is well positioned through its strategic hedge position to withstand crude oil price volatility during the first half of 2016, as it has approximately 50% of its production net of royalties hedged at $76.35/bbl Cdn WTI. During the second half of 2016, the Company has approximately 30% of its crude oil production net of royalties hedged at $72.35/bbl Cdn WTI. For natural gas, the Company currently has 5,000 GJ/d hedged at an average fixed AECO price of $2.67/GJ.

Credit Facility Reaffirmation

During the fourth quarter of 2015, the Company's syndicate of banks completed their mid-year review of results and lending values. Based on strong drilling results and successful operating cost reductions, Tamarack's lenders agreed to maintain its credit facility at $165 million despite the challenging commodity price environment. The $165 million facility is comprised of a $155 million revolving credit facility and a $10 million operating facility. At this time, Tamarack does not anticipate being drawn by more than 70-75% of its bank facility at any time in 2016.

Director Appointment

Tamarack is pleased to announce the appointment of Noralee Bradley as an independent director of the Company, effective December 17, 2015. The appointment of Ms. Bradley expands the Company's Board of Directors to six directors, four of whom are independent directors.

The appointment of Ms. Bradley remains subject to the approval of the Toronto Stock Exchange.

Ms. Bradley is partner at Osler, Hoskin & Harcourt LLP and has been practicing in the M&A and Corporate Finance area for over 25 years in Calgary. She has been recognized by the Best Lawyers in Canada and

Lexpert Magazine in her areas of expertise and has served on Osler's national executive and compensation committees. Ms. Bradley has been a director and/or Corporate Secretary of a number of public oil and gas companies, and has previously served as Chair of the Board at Angle Energy Inc., a TSX-listed oil and gas company. Ms. Bradley frequently advises boards of directors on governance policies and practices and the duties and obligations in special situations.

About Tamarack Valley Energy Ltd.

Tamarack is an oil and gas exploration and production company committed to long-term growth and the 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 in Alberta. 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

bbls	barrels
bbls/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Mboe	thousands of barrels of oil equivalent
mcf	thousand cubic feet
MMcf	million cubic feet
MMbbls	million barrels
mcf/d	thousand cubic feet 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' NI 51–101. Boe 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 are often, but not always, identified by the use of words such as "target", "continue", "intend", "estimate", "expect", "may", "will", "could", "would", "anticipate" or similar words suggesting future outcomes. More particularly, this press release contains statements concerning Tamarack's capital spending, expected drilling plans and estimated drilling inventory, operational activities, cash flow, reallocation of drilling capital, expected 2016 annual production, estimated net debt levels, debt to cash flow ratio, anticipated draw of the credit facility and the implementation of design changes and related cost savings.

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 and costs of drilling rigs, other oilfield services and third party facilities, 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 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 annual information form (AIF) 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.

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