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## **Tamarack Valley Energy Ltd. Announces \$38.0 Million Bought Deal Financing and Re-affirms Previously Announced 2016 Guidance**

**Calgary, Alberta – February 29, 2016** – Tamarack Valley Energy Ltd. (“**Tamarack**” or the “**Company**”) is pleased to announce that it has entered into a bought deal financing agreement with a syndicate of underwriters led by National Bank Financial Inc. (the “**Underwriters**”), pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, 13,014,000 common shares (“**Common Shares**”) at an issue price of \$2.92 per Common Share resulting in gross proceeds of approximately \$38.0 million (the “**Offering**”).

In addition, the Underwriters have been granted an over-allotment option, exercisable for a period commencing at closing of the Offering (the “**Closing**”) and ending 30 days following Closing, to purchase up to an additional 1,952,100 Common Shares at a price of \$2.92 per Common Share, to cover over-allotments, if any, and for market stabilization purposes. If the over-allotment option is fully exercised, gross proceeds from the Offering will be approximately \$43.7 million.

The net proceeds from the Offering will be used to initially reduce indebtedness and for general corporate purposes.

The Offering will be completed by way of short form prospectus in all provinces of Canada, and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended. Completion of the Offering is subject to necessary regulatory approvals, including the approval of the Toronto Stock Exchange, and is expected to close on or about March 18, 2016.

### **2016 Capital Program and Guidance Re-affirmed**

Tamarack’s top priority continues to be maintaining balance sheet strength and financial flexibility within an uncertain commodity price environment while continuing its focus on meaningful per share growth for its shareholders. This Offering will allow Tamarack to prudently preserve an already low debt to cash flow multiple should low commodity prices persist longer term and provide the ability to appropriately capitalize on accretive acquisition and drilling opportunities that are readily becoming available. The Company will continue to focus on adding drilling inventory that meets a strict investment criteria of approximately 1.5 year payout or less at current strip prices. Over the past two years Tamarack has increased its quick payback inventory tenfold by successfully negotiating several one-off strategic acquisitions within our core areas. It is expected that the current environment will allow the Company the opportunity to continue to build inventory for future growth.

After taking into effect the net proceeds from the Offering the estimated 2016 year end 12-month trailing debt to cash flow (including hedges) ratio decreases from the previously disclosed range of 1.6 - 2.3 times to 0.9 – 1.4 times, with at least \$88 million of liquidity maintained based on existing bank lines.

As outlined in the Company's press release dated February 24, 2016, Tamarack is re-affirming its 2016 guidance ranges:

- Capital expenditures of \$40-57 million, effectively living within cash flow.
- Average production of 8,700-9,700 boe/d (approximately 51-57% oil & NGLs).
- Exit production of 8,600-9,800 boe/d (approximately 50-55% oil & NGLs).
- Assumes: WTI average \$33.00/bbl - \$40.00/bbl USD, Edmonton par price average \$41.00/bbl - \$51.45/bbl, AECO average \$2.00/GJ to \$2.45/GJ, Canadian/US dollar exchange rate range of \$0.70 to \$0.72.

### **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 barrels of oil equivalent
mcf	thousand cubic feet
MMcf	million cubic feet
Mbbls	thousand 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'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 are often, but not always, identified by the use of words such as “anticipate”, “believe”, “plan”, “potential”, “intend”, “objective”, “continuous”, “focus”, “monitor”, “estimate”, “expect”, “may”, “will”, “project”, “should”, or similar words suggesting future outcomes. More particularly, this press release contains statements concerning completion and timing of the Offering, Tamarack’s planned future drilling plans, operations and strategy, projections contained in Tamarack’s 2016 capital program and guidance, anticipated reductions to capital expenditures in the event of continued low commodity prices, forecast commodity prices and deployment of Tamarack’s 2016 capital program. The completion and timing of the Offering are based on a number of assumptions, including the timely receipt of all required regulatory approvals for the Offering and the satisfaction of other closing conditions in all material respects in accordance with the terms of the underwriting agreement with the Underwriters, including that no event will occur that would trigger termination rights under the underwriting agreement with the Underwriters. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack relating to the successful completion of the Offering, 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 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 revised Annual Information Form (“AIF”) dated May 13, 2015 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.

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