TSX VENTURE: TVE

Tamarack Valley Energy Ltd. Announces Updated Lochend Production Rates and Redwater Drilling Results

Calgary, Alberta – June 26, 2012 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") is pleased to announce the following operational updates:

- Based on field estimates, the recently drilled Lochend, Alberta 2-29-26-3 W5M well produced an average of 575 bbls/d of oil during its first 30 days of production.
- Based on field estimates, the four (3.7 net) recently drilled Redwater, Alberta wells each averaged 92 bbls/d of oil during their first 14 days of production.

Lochend Drilling Results

On May 19, 2012, Tamarack completed its first slick water fracture in Lochend with an 18-stage stimulation on the 2-29-26-3 W5M well (100% working interest). The well began production on May 21, 2012 and averaged 575 bbls/d of oil and 0.42 mmcf/d of natural gas or 645 boe/d (89% oil weighted) over the first 30 days of production. These results support Tamarack's assessment of the benefits of using slick water fluid over fracture oil for its Cardium horizontal stimulations. Tamarack expects the new Lochend well to follow the typical Cardium production curve for wells fracture stimulated with slick water and decline hyperbolically over the next few months.

Redwater Drilling Results

In the second quarter of 2012, Tamarack drilled four (3.7 net) shallow Viking oil wells in the Redwater area on the Echoex lands acquired April 18, 2012. As the wells continue to clean up, early average production rates of 92 bbls/d (86 net) of oil per well over the first 14 days of production has exceeded Company expectations of a risked 30 day initial rate of 67 bbls/d. Historically the offsetting Viking wells encountered their peak oil production rate in their second month of production after water cuts have decreased to normal levels.

The Company completed the first three wells using the same fracture stimulation program that its predecessor used - a 10 to 12-stage, 10 ton gelled water fracture. The fourth well was completed with an upsized fracture design - a 14-stage, 15 ton gelled water fracture. Early results show the fourth well has performed better and Tamarack will continue to monitor the economic benefits of the upsized fracture design.

Expected Third Quarter Activity

During the second quarter of 2012, Tamarack drilled the Garrington 16-29-32-3 W5M well (51% working interest) and the 2-20-32-3 W5M well (54% working interest) from the same surface location. These wells are expected to be stimulated with a multi-stage slick water fracture treatment by mid-July.

Pending rig availability, Tamarack also plans to drill two heavy oil wells in the Manitou Lake area of Saskatchewan during the third quarter of 2012.

Due to the limited production history on the recently drilled Lochend and Redwater wells, the Company will wait to assess longer term production performance before considering an increase to its current production guidance announced on April 19, 2012.

Capital Expenditure Program Update

Tamarack has entered into fixed price contracts to protect the cash flow for a portion of its production from decreasing commodity prices. The Company currently has the following hedges in place:

- July 1, 2012 to December 31, 2012 WTI fixed price swap on 500 bbls/d at Cdn$96.70/bbl;
- July 1, 2012 to December 31, 2012 AECO fixed price swap on 2,000 GJ/d at Cdn$2.37/GJ;
- 2013 WTI call option on 200 bbls/d at Cdn$100/bbl; and
- January 1, 2013 to June 30, 2013 WTI extendable fixed price swap on 300 bbls/d at Cdn$96.70/bbl. The counterparty has the option to extend this fixed price swap for another 12 months.

Tamarack's 2012 capital expenditure program was based on an Edmonton Par price of $75/bbl for June through December 2012, so despite the recent drop in crude oil prices, Tamarack's 2012 capital program remains at $30-35 million.

Since the closing of the Echoex acquisition, the Company has disposed of two non-producing properties containing 3,040 gross acres (2,896 net) for total proceeds of approximately $429,000. Tamarack will continue to monetize non-core assets through dispositions.

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 highly economic heavy oil opportunities southeast of Lloydminster in Saskatchewan.

Unit Cost Calculation

For the purpose of calculating unit costs, natural gas volumes have been converted to a barrel of oil equivalent (“boe”) using 6,000 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 (“NI 51–101”). Boe’s may be misleading, particularly if used in isolation.

Forward-Looking Information

This press release may contain certain forward-looking statements within the meaning of applicable securities laws, including statements relating to expected longer term results of test wells, production results, expected drilling plans, expected capital expenditures and operational activities and results. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", “attempts”, “equates”, “forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information. The production results, drilling plans, allocation of capital, operational activities and future dispositions of non-core assets are based on assumptions relating to commodity prices, drilling and completion of wells being completed as planned, achieving expected drilling results, maintaining or growing the banking facilities, the timing of past operations and activities in the planned areas of drilling, information from consultants on regulatory processes, drilling and fracturing techniques and continuing over-supply in the natural gas market.

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 involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. 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.

The forward-looking statements contained in this news 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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