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Tamarack Valley Energy Ltd. Exceeds 2013 Production Guidance, Provides Cardium Update and 2014 Capital Program

Calgary, Alberta – January 28, 2014 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") is pleased to announce that it has surpassed its 2013 average production and 2013 exit production guidance as a result of our continued success in the Cardium and Viking. Based on field production estimates for December 2013, the Company averaged 4,718 boe/d (approximately 62% liquids), exceeding its exit production guidance rate of 4,200 to 4,300 boe/d. Based on these field estimates, the Company's average production for 2013 was 3,276 boe/d, exceeding the original 2013 production guidance of 2,900 to 3,000 boe/d, (which was later increased to 3,150 to 3,250 boe/d due to the Sure Energy Ltd. acquisition on August 20, 2013).

During the first three weeks of January 2014, permanent facilities were being installed on 4 gross (2.38 net) Cardium wells. Two of the 4 wells are on production, with the remaining wells expected to commence production over the next week. Based on field estimates, Tamarack averaged 4,757 boe/d during the last 3 days.

Cardium Drilling Update

In August 2013, Tamarack entered into a farm-in agreement with an industry major whereby it gained access to 113,280 gross (72,320 net) acres of farm-in lands. Tamarack has an obligation under the terms of the farm-in agreement to drill a total of 20 net earning wells over a three year period, with 3.5 net earning wells drilled by the end of March 2014 and 8.5 net earning wells by the end of 2014. Under the agreement, long reach horizontal wells greater than 1.5 miles in length count as 2 earning wells. To date, Tamarack has drilled 6 (3.2 net) wells on the farm-in lands which includes a combination of 1-mile and 1.5-mile wells. Based on our capital program, Tamarack expects to have drilled the equivalent of 7.4 net earning wells towards the farm-in commitment by March 31, 2014, well ahead of the farm-in drilling obligation.

Of the 6 (3.2 net) wells drilled to date, 3 (1.6 net) are producing through permanent facilities, with another 2 (0.98 net) wells expected to commence production over the next week. The production contribution from the farm-in lands to the 2013 fourth quarter average was 286 bbls/d of oil. Based on field estimates, current production from the first three wells averaged 876 boe/d over the past 3 days. The early results of recent drilling on the farm-in lands has met or exceeded internal expectations.

Tamarack is planning to drill up to 6 (2.1 net) Cardium wells on the farm-in lands and in the Garrington area during the first quarter of 2014.

2-Mile Cardium Buck Lake Well

On December 18, 2013, Tamarack announced the first 30 days of production of its first 2-mile well. Based on field estimates, this well averaged 367 boe/d (275 net), consisting of 296 bbls/d (222 net) of oil and natural gas liquids and 423 mcf/d (317 net) natural gas. Initially constrained by its lifting equipment during its first 40 days on production, the well was re-equipped with an optimized bottom hole pumping assembly to handle a lower gas/oil ratio.

The well has continued to outperform offsetting wells. Based on field estimates during its first 70 days on production, the well averaged 288 boe/d (217 net), consisting of 229 bbls/d (172 net) of oil and natural gas liquids and 358 mcf/d (268 net) natural gas. The third month oil production rate is currently 70% higher in the 2-mile well than compared to the 2 offsetting 1-mile wells that Tamarack drilled in late 2011 and early 2012.

Cardium Drilling Inventory Expansion

Through two additional farm-in agreements in the greater Pembina area, Tamarack has increased its Cardium land position by 7 (3.6 net) sections, bringing the total Cardium land position to over 116 net sections. These agreements increase Tamarack's drilling inventory of Cardium locations by 14 net low risk development locations. Tamarack will continue to expand its Cardium position in core areas by consolidating working interest on our lands or through acquiring interests adjacent to our lands. Management estimates a total inventory of 174 net Cardium locations.

2014 Capital Budget

In December 2013, Tamarack's Board of Directors approved a capital budget of up to $68 million for 2014, focused on drilling Cardium horizontal development and Viking oil development wells. The 2014 capital budget will allow the Company to drill approximately 5.0 net Cardium 1-mile horizontals, 4.3 net Cardium long reach (1.5 to 2-miles) horizontals and 18.3 net Viking oil wells. Tamarack's management estimates it has over 360 net Cardium and Viking locations. By executing this drilling program, Tamarack expects to achieve a production average of 4,950 to 5,050 boe/d, while earning over 13 net sections of Cardium lands in the greater Pembina area, achieving approximately 65% of its total farm-in drilling commitment by the end of 2014. The 2014 capital program will be fully funded with forecasted cash flow from operations and available lines of credit. The Company currently has available credit facilities of $103 million comprised of an $85 million operating line of credit and an $18 million development line. The 2014 capital program and $51 to $52 million cash flow estimate is based on average commodity pricing assumptions of:

- a WTI price of $90/bbl Canadian less a $9 Edmonton Par / WTI differential, and
- an AECO price of $3.25/GJ

Tamarack's summary of guidance for 2014 as previously announced on August 20, 2013:

- 2014 estimate average production rate of 4,950 to 5,050 boe/d (60% liquids)

- 2014 estimate exit production rate of 5,300 to 5,400 boe/d (60% liquids)
- Anticipated cash flow of $51 to $52 million, based on the above commodity price assumptions
- Estimated 2014 year end debt to annualized Q4/14 cash flow from operation of 1.6 times

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 – ensuring resource plays provide long-life reserves, and using a rigorous, proven modeling process to carefully manage risk and identify opportunities. The Company recently expanded its inventory of low-risk development oil locations in the Redwater Viking play through the acquisition of Sure Energy Inc. 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. 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 experienced and committed management team, Tamarack intends to continue to deliver on its promise to increase its production and maximize shareholder return.

Abbreviations

bbl	Barrel
bbls/d	barrels per day
boe/d	barrels of oil equivalent per day
mcf	thousand cubic feet
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' 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 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 capital spending, expected drilling plans, operational activities, cash flow and expected production levels, asset mix and year end debt for 2014 and Tamarack's plan to increase its Cardium position in the future. 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, completion and tie-in of wells being completed as planned, the production performance of new and existing wells, the application of existing drilling and fracturing techniques, the continued availability of capital and skilled personnel, surface access to leases, the ability to continue to deliver crude oil and natural gas to market, the ability to maintain or grow the banking facilities, the accuracy of Tamarack's geological interpretation of its drilling and land opportunities and Tamarack's ability to realize the anticipated growth opportunities and operational synergies. 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 and declines in initial production rates); 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 March 27, 2013 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.

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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