



TSX VENTURE: TVE

## **Tamarack Valley Energy Ltd. Provides an Operational Update**

**Calgary, Alberta – October 17, 2013** – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce the following operational and drilling update.

### **Production Update**

Tamarack is pleased to announce that based on its successful 2013 drilling program, it expects to meet its third quarter 2013 production target of 3,125 to 3,185 boe/d. The Company remains on target of achieving its 2013 average production guidance average rate of 3,150 to 3,250 boe/d.

### **Farm-in and Sure Energy Inc. Transaction Update**

In August, 2013 Tamarack entered into a farm-in agreement whereby it gained access to 113,280 gross (72,320 net) acres with an industry major and on October 9, 2013 closed the acquisition of Sure Energy Inc. (“Sure”). Tamarack participated in its first Cardium farm-in commitment well (1 gross, 0.2 net) in the Willesden Green area of Alberta. The well was brought on production late August, 2013. During its first 42 days of production, based on field estimates, averaged 575 boe/d consisting of 179 bbls/d (36 bbls/d net) of oil and natural gas liquids and 2.38 mmcf/d (475 mcf/d net) natural gas.

Tamarack will also be drilling four Viking oil wells on lands recently acquired from Sure as part of its fourth quarter 2013 drilling program.

### **Operations Update**

During the third quarter of 2013, Tamarack successfully drilled its first 2-mile horizontal Cardium oil well in the Buck Lake area of Alberta. The 2-mile Buck Lake well was successfully stimulated with a 30-stage slick water fracture treatment and is currently on flow-back.

Tamarack participated in the drilling of two (1.0 net) Cardium oil wells in the Lochend area in the third quarter. Both wells were fracture stimulated, tied into existing Company owned infrastructure and were brought on production in late September, 2013.

The 100% working interest well located in the Garrington area of Alberta at 4-26-32-3 W5M had permanent facilities installed and associated solution gas tied-in during July 2013. The 4-26 well which was a step-out well approximately 2 miles away from the Company’s nearest producing oil wells,

produced over 10,400 barrels of oil during its first 74 producing days. Results on this well have added three off-set development locations to Tamarack's Cardium oil drilling inventory.

The two Lochend wells that were brought on production in mid-June 2013, continue to outperform expectations. The Lochend 3-29 well has produced over 22,300 barrels of oil during its first 90 producing days and the Lochend 14-32 well has produced over 22,000 barrels of oil during its first 82 producing days. Both wells offset the prolific Lochend 2-29 well which was brought on production in mid-May 2012 and produced over 17,200 barrels of oil during its first 83 days of production. The Lochend 2-29 well reached payout in 10 months. Tamarack believes that based on current commodity prices and the assumption that the decline profile remains consistent with offset wells, both the 3-29 and 14-32 wells should reach their payouts in less than 12 months.

### **Remainder 2013 Capital Program**

Tamarack will be drilling 3 net Cardium wells and at least 6 (5.6 net) Viking oil wells in the fourth quarter of 2013. All three Cardium wells will be drilled on the farm-in lands. The first two Cardium wells will be in the Wilson Creek area of Alberta and the third well of this program will be another 2-mile horizontal well in the Pembina area of Alberta. The drilling of these wells will fulfill Tamarack's first quarter, 2014 drilling obligation under the terms of the farm-in agreement.

Tamarack is pleased to announce it has commenced its fourth quarter Viking oil drilling program on its expanded drilling inventory of approximately 200 horizontal locations. This program, consisting of Viking oil locations at Redwater capitalizes on Tamarack's operational experience in the area. Since our entrance into Redwater, Tamarack has reduced its all-in capital costs by approximately 40% to less than \$1.0 million per well. These operational efficiencies, together with the increased drilling inventory as a result of the Sure acquisition, will allow the Company to continue to reduce costs through increasing the scale of future drilling programs and capitalizing on infrastructure synergies.

### **Increase in Debt Facility**

Based on the successful completion of the Sure acquisition, Tamarack's lenders have agreed to provide the Company with a \$103 million operating demand line of credit and non-revolving acquisition/development demand line. The credit facility has been secured by a \$155 million debenture with a floating charge over Tamarack's assets. The credit facility provides Tamarack with strong financial flexibility to effectively capitalize our inventory of Viking and Cardium opportunities.

### **Option Grant**

On October 16, 2013, Tamarack granted, in aggregate, 1,350,000 options ("Options") to purchase common shares in the capital of the Company to certain directors and officers of the Company. The Options each have an exercise price of \$3.25 per share, are exercisable for a period of 5 years and vest in one third (1/3) increments on the first, second and third anniversaries from the date of grant. This grant of Options is subject to acceptance by the TSX Venture Exchange. Currently the Company has options and preferred shares outstanding to purchase 4,546,801 common shares of the Company.

## **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, committed management team, Tamarack intends to continue to deliver on its promise to increase its production, oil weighting and maximize shareholder return.

## **Abbreviations**

bbbl	Barrel
bbbls/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 planned future drilling plans, operations and expected production levels for 2013. 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 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 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](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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