

TSX VENTURE: TVE

Tamarack Valley Energy Ltd. Announces 67% Increase to Reserves and Exceeds 2013 Production Guidance with Record Production and Cash Flow

Calgary, Alberta – March 13, 2014 – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce the results of its independent reserve evaluation as of December 31, 2013, which include a 67% increase in proved plus probable reserves to 18.684 mboe, a proved plus probable finding, development and acquisition cost of \$23.94/boe and a recycle ratio of 1.65. The Company is also pleased to announce a record quarter production average of 4,336 boe/d for the fourth quarter of 2013, which was an increase of 37% from the previous quarter.

Tamarack filed its Annual Information Form (“AIF”) today, which included information pursuant to the requirements of National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”) of the Canadian Securities Administrators relating to reserves data and other oil and gas information on SEDAR. The AIF can be accessed either on Tamarack’s website at www.tamarackvalley.ca or on SEDAR at www.sedar.com.

The Company has also filed its audited consolidated financial statements for the year ended December 31, 2013 (“Financial Statements”) and management’s discussion and analysis (“MD&A”) on SEDAR. Selected financial and operational information is outlined below and should be read in conjunction with the Financial Statements, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), and the related MD&A. These documents are also accessible on Tamarack’s website at www.tamarackvalley.ca or on SEDAR at www.sedar.com.

2013 HIGHLIGHTS

Reserve Report

- Increased proved plus probable reserves by 67% to 18.684 million boe with 61% oil and natural gas liquids (“NGLs”) weighted and proved reserves by 51% to 9.992 million boe with 59% oil and NGLs weighted.
- Increased proved plus probable reserves by 29% and proved reserves by 17% on a per weighted average share basis.
- Tamarack’s drilling on Cardium farm-in lands accounted for proved plus probable reserves of 2.805 mboe, based on fourth quarter 2013 drilling results. Comprised of 2.08 mboe from earning wells drilled in the fourth quarter (categorized as acquisitions in the reserve report) and 0.725 mboe in discoveries. Under NI 51-101 standards, reserve additions from drilling earning wells are classified as “acquisitions” and therefore are excluded from the F&D calculation.
- Achieved proved plus probable finding and development (“F&D”) costs of \$26.82/boe for the year ended December 31, 2013 (including the change in future development capital or “FDC”). The Company also achieved proved plus probable finding, development and acquisition (“FD&A”) costs of \$23.94/boe during the same period, including the change in FDC.
- Organic proved plus probable reserve additions replaced 299% of production and on a proved basis 169% of production was replaced.
- Including acquisitions, the Company replaced 727% of production on a proved plus probable basis, calculated by dividing total reserve additions by total average 2013 production of 3,276 boe/d. On a proved reserve basis 383% of production was replaced.

- Tamarack's proved plus probable reserve value is estimated at \$5.92/share based on a net present value of proved plus probable reserves at December 31, 2013, at a 10% discount before taxes, divided by issued and outstanding shares at December 31, 2013. Proved value is \$3.64/share.
- Achieved a recycle ratio of 1.65 with FD&A costs of \$23.94/boe, including the change in FDC, and field operating netback of \$39.45/boe for the year ended December 31, 2013.
- Achieved a proved plus probable reserve life index ("RLI") of 11.8 years based on the fourth quarter 2013 average production of 4,336 boe/d.

Financial and Operating

- Achieved record quarter production average of 4,336 boe/d, up 37% from previous quarter.
- Production increased by 51% to 3,276 boe/d in 2013 from 2,166 boe/d in 2012. Production results for 2013 exceeded Tamarack's guidance of 3,150 to 3,250 boe/d.
- Funds from operations were \$12.15 million (\$10.5 million after deducting transaction costs from the acquisition of Sure Energy Inc.) for Q4/13 and \$38.2 million (\$36.6 million after transaction costs) for the year ended 2013 compared to \$6.0 million and \$16.7 for the same periods in 2012.
- During the fourth quarter of 2013, Tamarack drilled, completed and equipped three (2.1 net) horizontal farm-in Cardium oil wells, eight (5.8 net) horizontal Redwater Viking oil wells, completed and equipped one (0.75 net) horizontal Buck Lake Cardium oil well and drilled one (0.28 net) horizontal farm-in Cardium oil well.
- Completed acquisition of Sure Energy Inc. in October, 2013 and entered into a 113 net section Cardium farm-in in August, 2013.

2013 YEAR-END RESERVES

Tamarack is executing its longer term strategy of entering into predictable and repeatable resource plays at an early stage, when it can assemble a large high quality land position. Tamarack had tremendous reserve and production growth in 2013, both on an absolute basis and on a per share basis. This growth was achieved through development drilling and tuck-in acquisitions on its two de-risked resource plays: Cardium oil in the Lochend, Garrington, Buck Lake and greater Pembina areas of Alberta, and shallow Viking oil in the Redwater area of Alberta. Reserve increases in 2013 were also impacted by the acquisition of Sure Energy Inc. that closed on October 9, 2013.

During 2013, the Company drilled 17 (14.2 net) horizontal Viking oil wells in Redwater and 11 (7.3 net) horizontal Cardium oil wells, of which 5 (4 net) were in Lochend/Garrington, 1 (0.75 net) in Buck Lake and 5 (2.6 net) were on farm-in lands in the greater Pembina area. Of the 11 Cardium wells drilled in 2013, 3 (1.73 net) were long reach wells (1.5 to 2.0-mile horizontal lengths). Tamarack believes that, although most competitors currently are not drilling long reach wells to develop their Cardium lands, eventually long reach wells will have a similar impact on drilling economics as did the introduction of slick water fracture stimulations. As of December 31, 2013, Tamarack had drilled 5 net earning wells towards its contracted farm-in commitment of 3.5, which was one full quarter ahead of schedule.

The following tables highlight the 2013 year-end reserves based on the GLJ Petroleum Consultants Ltd. independent evaluation of the Company's reserves dated effective December 31, 2013. The evaluation was conducted pursuant to NI 51-101 and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") reserves definitions.

Tamarack Valley Energy Ltd.
Summary of Oil and Gas Reserves
Forecast Prices and Costs - GLJ (2013-01) Prices
Effective December 31, 2013

Volume In Imperial Units	Oil				Natural Gas				Total BOE	
	Light and Medium		Heavy		Natural Gas		Liquids		Gross	Net
	Gross	Net	Gross	Net	Gross	Net	Gross	Net		
Reserves Category	(MStb)	(MStb)	(MStb)	(MStb)	(MMcf)	(MMcf)	(MStb)	(MStb)	(Mboe)	(Mboe)
Proved Developed Producing	2,495	2,204	16	15	17,035	14,220	312	226	5,662	4,814
Proved Developed Non-Producing	79	71	3	3	2,892	2,639	107	81	671	595
Proved Undeveloped	2,624	2,300	-	-	4,748	4,292	243	195	3,658	3,210
Total Proved	5,198	4,575	19	18	24,676	21,151	663	501	9,992	8,619
Probable	4,722	4,143	41	37	19,207	16,842	728	544	8,693	7,531
Total Proved + Probable	9,920	8,718	60	55	43,883	37,993	1,391	1,045	18,684	16,150

(Note: Columns may not add due to rounding.)

Tamarack Valley Energy Ltd.
Summary of Net Present Values of Future Net Revenue
Forecast Prices and Costs - GLJ (2013-01) Prices
Effective December 31, 2013

Reserves Category	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Proved Developed Producing	163,987	139,087	120,860	107,369	97,079	163,987	139,087	120,860	107,369	97,079
Proved Developed Non- Producing	15,795	10,916	8,372	6,840	5,813	15,795	10,916	8,372	6,840	5,813
Proved Undeveloped	92,400	59,267	39,027	25,833	16,785	92,400	59,267	39,027	25,833	16,785
Total Proved	272,181	209,270	168,259	140,041	119,678	272,181	209,270	168,259	140,041	119,678
Probable	265,724	159,593	104,923	73,182	53,052	201,254	123,350	82,513	58,365	42,765
Total Proved + Probable	537,905	368,863	273,182	213,223	172,729	473,435	332,620	250,772	198,406	162,443

(Note: Columns may not add due to rounding. Estimates of net present value do not represent fair market value.)

RECONCILIATION OF COMPANY GROSS RESERVES
Based on Forecast Prices and Cost

FACTORS	BOE		
	Proved (Mboe)	Probable (Mboe)	Proved + Probable (Mboe)
December 31, 2012	6,602	4,583	11,185
Discoveries	0	0	0
Extensions and Improved Recovery	1,046	509	1,553
Infill Drilling	110	(110)	0
Technical Revisions	107	(169)	(62)
Acquisitions*	3,327	3,881	7,209
Dispositions	(4)	(1)	(6)
Economic Factors	0	0	0
Production	(1,194)	0	(1,194)
December 31, 2013	9,992	8,693	18,684

(*Note: Includes reserve additions from earning wells that were drilled on the Company's Cardium farm-in)

2013 YEAR-END FINANCIAL RESULTS

During the fourth quarter of 2013, Tamarack recorded record production of 4,336 boe/d, which was 37% higher than the previous quarter. The record production rate resulted in a record quarter of funds from operations of \$10.5 million despite a 21% decrease in realized oil and natural gas liquids prices during the quarter. For the year ended December 31, 2013 funds from operations was \$38.2 million (\$36.6 million after deducting transaction costs from the acquisition of Sure Energy Inc.). Although the Company exited 2013 with net debt of \$81.8 million, the \$60.2 million equity financing that closed on February 19, 2014, has reduced current net debt to 2013 cash flow to less than 1.0 times.

Farm-in

On August 19, 2013, the Company entered into a farm-in agreement with an industry major ("Farm-in") to earn 70% working interest in up to 113 net sections of prospective Cardium lands directly offsetting proven ongoing development projects in the greater Pembina area. The Farm-in increased Tamarack's Cardium inventory by approximately 350%, adding another 183 gross (128 net) potential Cardium locations.

Sure Energy Inc. Acquisition

On October 9, 2013, the Company acquired all of the issued and outstanding shares of Sure Energy Inc. ("Sure"), a public Canadian oil and gas company. As consideration, Sure Energy shareholders received 16,461,966 Tamarack common shares.

The Company will benefit from the combination of the complementary Redwater Viking acreage and Tamarack's proven operational efficiencies and further synergies, including scalability of drilling programs to help continue to reduce Viking well capital costs. Through the doubling of Tamarack's land position in the Redwater Viking area, the Company has increased inventory to approximately 200 net low risk drilling locations.

Financial & Operating Results

	Three months ended December 31,			Year ended December 31,		
	2013	2012	% change	2013	2012	% change
(\$, except share numbers)						
Total Revenue	22,224,185	11,444,879	94	70,059,021	34,413,170	104
Funds from operations ¹	10,505,372	6,029,731	74	36,594,096	16,666,872	120
Per share – basic ¹	\$ 0.24	\$ 0.20	20	\$ 1.09	\$ 0.65	68
Per share – diluted ¹	\$ 0.23	\$ 0.20	15	\$ 1.09	\$ 0.65	68
Net income (loss)	10,854,769	(2,455,973)	542	14,813,126	(4,140,275)	458
Per share – basic	\$ 0.24	\$ (0.08)	400	\$ 0.44	\$ (0.16)	375
Per share – diluted	\$ 0.24	\$ (0.08)	400	\$ 0.44	\$ (0.16)	375
Net debt ²	(81,764,155)	(47,543,639)	72	(81,764,155)	(47,543,639)	72
Capital Expenditures ³	22,009,901	7,193,687	206	57,541,055	23,856,939	141
Weighted average shares outstanding						
Basic	44,558,308	29,706,752	50	33,450,158	25,815,366	30
Diluted	45,109,305	29,706,752	52	33,568,017	25,815,366	30
Share Trading						
High	\$ 3.97	\$ 3.15	26	\$ 3.97	\$ 4.44	(11)
Low	\$ 2.80	\$ 2.36	19	\$ 1.74	\$ 1.77	(2)
Trading volume	27,734,011	1,741,091	1,493	40,778,592	3,938,707	935
Average daily production						
Crude oil and NGLs (bbls/d)	2,611	1,310	99	1,911	986	94
Natural gas (mcf/d)	10,349	7,505	38	8,191	7,078	16
Total (boe/d)	4,336	2,561	69	3,276	2,166	51
Average sale prices						
Crude oil and NGLs (\$/bbl)	77.78	76.29	2	85.80	77.76	10
Natural gas (\$/mcf)	3.72	3.26	14	3.42	2.45	39
Total (\$/boe)	55.72	48.57	15	58.59	43.42	35
Operating netbacks (\$/boe) ⁴						
Average realized sales	55.72	48.57	15	58.59	43.42	35
Royalty expenses	(4.30)	(4.43)	(3)	(6.00)	(3.39)	77
Production expenses	(13.65)	(13.32)	2	(13.14)	(12.10)	9
Operating field netback	37.77	30.82	23	39.45	27.93	41
Realized commodity hedging gain (loss)	(2.15)	1.01	(313)	(2.11)	(0.17)	1,135
Operating netback	35.62	31.83	12	37.34	27.76	35
Funds flow from operations netback (\$/Boe) ¹	26.34	25.59	3	30.60	21.08	45

Notes:

- 1) Funds from operations is calculated as cash flow from operating activities before the change in non-cash working capital and abandonment.
- 2) Net debt includes accounts receivable, prepaid expenses and deposits, bank debt and accounts payable and accrued liabilities, but exclude the fair value of financial instruments.
- 3) Capital expenditures include property acquisitions and are presented net of disposals, but exclude corporate acquisitions.
- 4) "Operating netback" does not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback equals total petroleum and natural gas sales including realized gains and losses on commodity derivative contracts less royalties and operating costs calculated on a boe basis. Tamarack considers operating netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

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 an 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	barrel of oil equivalent
boe/d	barrels of oil equivalent per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
Mboe	thousand barrels of oil equivalent
MMcf	million cubic feet
MStb	thousand stock tank barrels
NGL	natural gas liquids
\$M	thousands of dollars

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.

F&D cost calculations have been conducted in compliance with the requirements of NI 51-101. Specifically, F&D costs relating to Proved reserves were calculated by adding the cost of exploration, the cost of development and the annual change in estimated future reserves development costs and dividing that sum by annual additions to Proved reserves. Finding and development costs for Proved plus Probable reserves were similarly calculated, but used the Proved plus Probable reserves figure rather than the Proved reserves figure. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year. Tamarack also calculates FD&A costs using the same method, but without eliminating the effects of acquisitions and dispositions. The following is a summary of Tamarack's F&D and FD&A costs, including FDC, for the most recent three financial years.

	F&D (\$/boe)		FD&A (\$/boe)	
	Proved	Proved plus Probable	Proved	Proved Plus Probable
2011	40.30	27.01	40.30	27.01
2012	26.17	20.68	28.87	23.56
2013	33.20	26.82	31.18	23.94
Three Year Average	32.42	24.60	31.44	24.32

Operating netbacks are calculated in compliance with the requirements of NI 51-101 by subtracting royalties and operating costs from revenue.

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 future acquisitions and future drilling plans, operations and strategy. 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 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 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.

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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