



TSX VENTURE: TVE

Tamarack Valley Energy Ltd. Announces 2014 First Quarter Financial Results, Operational Update and a Record Production Rate in April 2014

Calgary, Alberta – May 1, 2014 – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce record corporate production, as a result of the successful first quarter 2014 drilling program. Current production is 4,967 boe/d, based on field estimates, with additional behind pipe production (wells already drilled and completed awaiting permanent facilities or temporarily restricted by facilities) of approximately 515 boe/d. With a portion of the behind pipe production and risked production from wells expected to be fracture stimulated during the rest of the second quarter, Tamarack reiterates its original average production forecast of 4,700 boe/d during the first half of 2014 and reiterates its annual average production between 5,300 and 5,500 boe/d for 2014.

During the first quarter of 2014, Tamarack focused on pad drilling operations in Garrington and on farm-in lands in greater Pembina area. These pad drilling operations will reduce drilling costs and allow Tamarack to perform “tandem” fracture stimulation operations that contribute to improved capital efficiencies. The Company enjoyed a record first quarter of activity, and because spring break-up was delayed into April, Tamarack was able to drill 17 (14.0 net) wells during the first four months of 2014. No wells drilled in the first quarter contributed any production during the first quarter. During the month of April, the Company brought on 10 (7.2 net) Cardium and Viking wells. The majority of the remaining 7 (6.8 net) wells drilled in the first quarter are to be brought on production in the second quarter.

Tamarack has filed its unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 (“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 accessible on Tamarack’s website at www.tamarackvalley.ca or on SEDAR at www.sedar.com.

First Quarter 2014 Results

Tamarack is pleased to announce its first quarter financial and operational highlights as follows:

- Production increased by 55% to 4,182 boe/d (56% oil and NGLs) in Q1/14 compared to Q1/13
- Funds from operations increased by 28% to \$13.4 million in Q1/14, compared to \$10.5 million in Q4/13 and increased by 92% compared to \$7.0 million in Q1/13.
- Cash flow per share increased by 8% quarter over quarter to \$0.26/share in Q1/14 compared to \$0.24/share in Q4/13

- Field operating netbacks increased by 16% to \$43.98/boe in Q1/14 from \$37.77/boe in Q4/13.
- A record quarter of drilling activity: drilled 6 (4.8 net) Cardium wells in the greater Pembina area, 3 (1.5 net) Cardium wells in Garrington, and 5 (4.7 net) Viking oil wells in Redwater.

Financial & Operating Results

	Three months ended		
	March 31		
	2014	2013	% change
(\$, except share numbers)			
Total Revenue	24,498,255	12,922,879	90
Funds from operations ¹	13,445,163	7,005,572	92
Per share – basic ¹	\$ 0.26	\$ 0.24	8
Per share – diluted ¹	\$ 0.25	\$ 0.24	4
Net income	1,790,681	296,846	503
Per share – basic	\$ 0.03	\$ 0.01	200
Per share – diluted	\$ 0.03	\$ 0.01	200
Net debt ²	(37,130,296)	(81,764,155)	(55)
Capital Expenditures ³	25,012,046	11,783,298	112
Weighted average shares outstanding			
Basic	52,546,496	29,706,752	77
Diluted	53,646,513	29,706,752	81
Share Trading			
High	\$ 6.08	\$ 2.80	117
Low	\$ 3.59	\$ 2.00	80
Trading volume	42,411,701	4,383,439	868
Average daily production			
Crude oil and NGLs (bbls/d)	2,333	1,452	61
Natural gas (mcf/d)	11,093	7,496	48
Total (boe/d)	4,182	2,701	55
Average sale prices			
Crude oil and NGLs (\$/bbl)	93.23	82.11	14
Natural gas (\$/mcf)	4.93	3.25	52
Total (\$/boe)	65.09	53.16	22
Operating netbacks (\$/boe) ⁴			
Average realized sales	65.09	53.16	22
Royalty expenses	(7.86)	(5.96)	32
Production expenses	(13.25)	(12.84)	3
Operating field netback			
Realized commodity hedging loss	(3.46)	(0.02)	14,898
Operating netback	40.52	34.34	18
Funds flow from operations netback (\$/Boe) ¹			
	35.72	28.82	24

Notes:

¹ Funds from operations is calculated as cash flow from operating activities before the change in non-cash working capital and abandonment.

² Working capital (deficiency) includes accounts receivable, prepaid expenses and deposits, bank debt and accounts payable and accrued liabilities, but exclude the future 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.

Operations Update

The first four months of 2014 was the most active drill program in the history of the Company. Operations focused on Cardium drilling at Garrington, earning on farm-in lands in the greater Pembina area and Viking development in the Redwater area.

During the month of April, 2014, the Company brought on production 5 (2.5 net) Cardium wells and 5 (4.7 net) Viking oil wells with an additional 2 (1.8 net) Cardium wells and 3 net Viking oil wells being fracture stimulated in May, 2014. The two new wells drilled in Wilson Creek area are currently not expected to be fracture stimulated until early July, unless a dry spring allows the Company surface access sooner. Tamarack is preparing for an active summer drilling program where it is currently planning to drill up to eight gross Cardium horizontal wells in the greater Pembina area and eight gross Viking oil wells in the Redwater area.

The Company continued to consolidate working interests in the greater Pembina area. Through a combination of deals, Tamarack has gained access to another 8 sections of land and added 20.8 net Cardium drilling locations to its 175 low risk horizontal Cardium inventory across its 211,408 net undeveloped acres.

Management Announcements

On April 30, 2014, Mr. Niels Gundesen announced his retirement as Vice President, Engineering. Tamarack’s Board and management team would like to thank Mr. Gundesen for his enormous contributions since the Company was formed in mid-2009 and wish him the very best in his retirement. Mr. Gundesen has made himself available to provide consulting services to the Company on an as needed part-time basis.

Tamarack is pleased to announce that Mr. Dave Christensen has been promoted to Vice President, Engineering. Mr. Christensen has more than 30 years of experience in the oil and gas industry, most recently he was the Development Engineering Manager for the West Region with an intermediate oil and gas company. All of Tamarack’s current Cardium assets fall within the west region Mr. Christensen managed with his previous company, which grew from approximately 15,000 boe/d to over 40,000 boe/d during his five year tenure. Dave joined the Tamarack team in February, 2014. In addition, Tamarack is also pleased to announce that Mr. Martin Malek has also joined the Tamarack team as Senior Development Engineer. Martin joined Tamarack in February, 2014. Mr. Malek spent the last seven years with the same North American based Company as Mr. Brian Schmidt, President & CEO and the majority of the technical team.

In April 2014, Tamarack was honored once again as one of the TSX Venture Exchange “Venture 50” member companies”. “Venture 50” is an annual ranking of the strongest performing TSX Venture Exchange listed companies; and is assessed on the basis of a combination of share price appreciation,

trading volumes, change in market capitalization and analyst coverage. This list of top performers is comprised of the top 10 companies from each of five market sectors: Clean Technology, Oil and Gas, Diversified Industries, Mining, and Technology & Life Sciences.

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 – targeting resource plays that 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 in the greater Pembina area, 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/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 and operations, anticipated future production and expectations as to improved future capital efficiencies. 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, fracture stimulation, 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, surface access to wells, weather conditions, 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 March 13, 2014 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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