



TSX VENTURE: TVE

**Tamarack Valley Energy Ltd. Announces 2014 Third Quarter Financial
and Operating Results
Company on track to exit 2014 producing 9,500 boe/d**

Calgary, Alberta – November 14, 2014 – Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is pleased to announce that a successful drilling program in the Wilson Creek area contributed to estimated average production of 7,950 boe/d during the last week of October with additional behind pipe production capability of approximately 400 boe/d. In addition, Tamarack has drilled 9 net Cardium wells in Wilson Creek so far during the fourth quarter that the Company expects to have on production by year end. On September 3, 2014, the Company increased its 2014 estimated exit production guidance by approximately 30% to 9,500 boe/d from the previously announced 7,300 to 7,500 boe/d range. Tamarack is on target to meet its revised exit rate of 9,500 boe/d (approximately 60% oil & natural gas liquids) and is forecasting Q4 2014 annualized net debt to cash flow to be 1.5 times.

Third Quarter 2014 Highlights

- Record funds from operations (excluding transaction costs associated with the Wilson Creek acquisition) of \$19.3 million (\$0.30 per share on a diluted basis), an 8% increase (3% per share) from \$17.8 million (\$0.29 per share on a diluted basis) in Q2 2014. Funds flow from operations including transaction costs was \$15.8 million (\$0.25 per share on a diluted basis)
- Record production of 5,765 boe/d in Q3 2014, an 11% increase from 5,203 boe/d in Q2 2014 and a 10% production per share increase over Q2 2014
- Oil and liquids weighting increase to 64% in Q3 2014 from 61% in Q2 2014
- Third quarter drilling activity of 9 (7.5 net) Cardium wells in the Wilson Creek area, 1 (1.0 net) well in Alder Flats and 3 (3.0 net) heavy oil wells in Hatton
- Exited October with production averaging 7,950 boe/d during the last week, with approximately 400 boe/d behind pipe

Tamarack has filed its unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 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.

Financial & Operating Results

	Three months ended September 30,			Nine months ended September 30,		
	2014	2013	% change	2014	2013	% change
(\$, except share numbers)						
Total Revenue	35,333,256	19,082,189	85	92,153,776	47,834,836	93
Funds from operations ¹	15,808,881	10,259,964	54	47,043,666	26,088,724	80
Per share – basic ¹	\$ 0.26	\$ 0.35	(26)	\$ 0.81	\$ 0.88	(8)
Per share – diluted ¹	\$ 0.25	\$ 0.34	(26)	\$ 0.79	\$ 0.88	(10)
Net income	6,790,587	3,721,097	82	13,823,840	3,958,358	249
Per share – basic	\$ 0.11	\$ 0.13	–	\$ 0.24	\$ 0.13	85
Per share – diluted	\$ 0.11	\$ 0.12	–	\$ 0.23	\$ 0.13	77
Net debt ²	(121,684,316)	(57,088,172)	113	(121,684,316)	(57,088,172)	113
Capital Expenditures ³	196,374,750	10,691,225	1,737	262,129,065	35,531,154	638
Weighted average shares outstanding						
Basic	61,423,738	29,706,752	107	58,140,697	29,706,752	96
Diluted	63,509,567	29,779,968	113	59,872,353	29,706,752	102
Share Trading						
High	\$ 7.85	\$ 3.18	147	\$ 7.85	\$ 3.18	147
Low	\$ 5.64	\$ 2.18	159	\$ 3.59	\$ 1.74	106
Trading volume	36,033,440	4,142,810	770	106,789,947	13,044,581	719
Average daily production						
Crude oil and NGLs (bbls/d)	3,272	1,812	81	2,816	1,635	72
Heavy oil (bbls/d)	416	55	656	262	40	555
Natural gas (mcf/d)	12,462	7,767	60	11,868	7,464	59
Total (boe/d)	5,765	3,162	82	5,056	2,919	73
Average sale prices						
Crude oil and NGLs (\$/bbl)	90.19	98.65	(9)	92.49	90.01	3
Natural gas (\$/mcf)	4.13	2.99	38	4.46	3.28	36
Total (\$/boe)	66.62	65.60	2	66.77	60.03	11
Operating netbacks (\$/boe) ⁴						
Average realized sales	66.62	65.60	2	66.77	60.03	11
Royalty expenses	(8.87)	(7.33)	21	(8.60)	(6.85)	26
Production expenses	(14.84)	(12.94)	15	(14.24)	(12.89)	10
Operating field netback⁴	42.91	45.33	(5)	43.93	40.29	9
Realized commodity hedging loss	(2.03)	(4.87)	(58)	(2.95)	(2.09)	41
Operating netback	40.88	40.46	1	40.98	38.20	7
Funds flow from operations netback (\$/Boe) ⁴						
	29.81	35.27	(16)	34.08	32.74	4

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 does not have any standard meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Net debt includes accounts receivable, prepaid expenses and deposits, bank debt and accounts payable and accrued liabilities, but excludes 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, operating field netback and funds flow from operations 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 field netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis. Operating netback is the operating field netback less realized gains and losses on commodity derivative contracts. Funds flow from operations netback equals funds flow from operations divided by the total sales volume and reported on a per boe basis. Tamarack considers operating netback and funds flow from operations netback as important measures to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

2015 Guidance Update

On September 3, 2014 the Company announced preliminary 2015 guidance that was based on an Edmonton par price average of \$89.00/bbl and AECO price average of \$3.57/GJ. Since that time Edmonton par prices have declined by 10 to 15%, causing the Company to re-evaluate its preliminary 2015 capital expenditure plan. Preserving a strong balance sheet will give Tamarack the flexibility to pursue opportunities in a low commodity price environment.

The Company will continue to execute the Wilson Creek area Q4 2014/Q1 2015 drilling program as previously disclosed and is targeting a first quarter 2015 plan to average at least 9,500 boe/d while reducing estimated net debt to annualized funds from operations to 1.3 times or less at current prices. The Company will release its 2015 guidance after finalizing its 2015 budget.

Operations Update

Since the end of the third quarter, the Company has drilled 9 net wells in the Wilson Creek area, which it expects to begin fracture stimulation operations by the end of November, 2014. Tamarack still has 3 operated rigs active in Wilson Creek, where it expects to drill another 4 to 5 wells and 1 well in Alder Flats. Of the 15 net Cardium wells it plans to have drilled by the end of the year, only 11 net wells are expected to be on production contributing to the Company's 9,500 boe/d exit rate. The other 3 to 4 wells will be fracture stimulated and brought on production in early Q1 2015. Of the additional behind pipe production capability of approximately 400 boe/d, the Company expects to have 200 boe/d of it on production by the end of the year, with the rest of the production coming on in Q1 2015.

During the third quarter, Tamarack succeeded in reducing drilling times by 25%, with a record well being drilled in 8.5 days from spud to rig release. The Company is very encouraged by these drilling cost reductions and expects to be able to duplicate this result with pad program drilling on the contiguous Wilson Creek land block. Tamarack is also working on cost reduction measures for the fourth quarter 11 well fracture stimulation program taking advantage of multi-well pads and the re-use of slick water fracture fluids. Further cost reductions are also being realized by the addition of owned infrastructure acquired with the Wilson Creek asset. The Company expects to reduce well equipping costs by approximately \$300,000 per well by tying in wells to existing owned infrastructure rather than equipping them as single-well batteries. All of these capital reductions will allow the Company to continue to achieve 12 to 14 month payouts on Cardium drills despite the recent reduction of crude oil prices.

Option Grant

The Company also announces that, in accordance with the Company's previously approved stock option plan, it has today granted, in aggregate, 7,000 options ("Options") to purchase common shares in the capital of the Company to an officer of the Company. The Options each have an exercise price of \$4.38

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.

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 has an extensive inventory of low-risk development oil locations in the Redwater Viking play. While 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 in 2013 and recently completed an acquisition in Wilson Creek. 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.

In April 2014, Tamarack was honored as one of the TSX Venture 50. The TSX Venture 50 is a ranking of the strongest performing TSX Venture Exchange companies in 2013 and is assessed on the basis of a combination of share price appreciation, trading volumes, change in market capitalization and analyst coverage. The index is comprised of ten companies from each of five sectors: Clean Technology, Oil and Gas, Diversified Industries, Mining, and Technology & Life Sciences.

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 future drilling plans and operations, estimated exit production rate in 2014, estimated average first quarter 2015 production rate, anticipated reduction in well equipping costs and other drilling costs, anticipated well payouts, anticipated reductions in net debt in 2014 and 2015 and the timing of the release of the Company’s 2015 guidance and 2015 budget. 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 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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