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Tamarack Valley Energy Ltd. Announces Lochend Drilling Results, Redwater Drilling Update and Appoints Reimond to Vice President of Exploration

Calgary, Alberta – October 15, 2012 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") is pleased to announce the following operational updates:

- Based on field estimates, Tamarack averaged between 2,650-2,660 boe/d in the third quarter of 2012, of which approximately 50% of the production was comprised of oil and natural gas liquids.
- Recently drilled wells in the Lochend area (both 50% working interest) averaged 1,158 boe/d on a 10 day test and 1,068 boe/d on an 8 day test.
- The appointment of Mr. Scott Reimond to Vice President of Exploration.
- Tamarack commenced its eight well Viking oil drilling program in Redwater on September 26, 2012 and is currently drilling its fifth well of the program. The Company expects to drill an additional net Cardium well by year-end.

Lochend Drilling Results

During the third quarter of 2012, Tamarack participated in the drilling of two (1.0 net) Cardium oil wells in the Lochend area of Alberta. Both wells were stimulated with a 20 stage slick water fracture treatment and brought on production during the third week of September, 2012. Based on field estimates, the Lochend 13-36-27-4 W5M (50% working interest) averaged 1,056 bbls/d of oil (528 net) and 610 mcf/d of natural gas or 1,158 boe/d (579 net) (91% oil weighted) over a 10 day period and the Lochend 15-36-27-4 W5M (50% working interest) averaged 964 bbls/d (482 net) of oil and 625 mcf/d of natural gas or 1,068 boe/d (534 net) (90% oil) over an 8 day period. Both wells were shut-in for pressure surveys and are expected to be brought back on production in mid-October.

Garrington Cardium Production Update

During the second quarter of 2012, Tamarack drilled the Garrington 16-29-32-3 W5M well (51% working interest) and the 2-20-32-3 W5M well (54% working interest) from the same surface location in the Garrington area of Alberta. The 2-20-32-3 W5M well began production in late July, 2012 and averaged 391 bbls/d (211 net) of oil and 531 mcf/d (271 net) of natural gas or 480 boe/d (259 net) (81% oil weighted) over the first 60 days. Based on field estimates in October, this well's cumulative oil production to October 9, 2012 has now reached 24,630 bbls and this well is expected to reach payout (the recovery all of its capital costs through net operating revenue) within 8 months of being brought on production.

The 16-29-32-3 W5M well began production in mid-August, 2012 and averaged 354 bbls/d (180 net) of oil and 275 mcf/d (140 net) of natural gas or 400 boe/d (204 net) (89% oil weighted) over the first 30 days. This well is restricted by the lifting equipment and consequently is expected to decline at a lower rate relative to offsetting wells.

The Company is planning to drill 2 (1 net) additional Cardium wells in the Garrington area by year-end, subject to surface access and rig availability.

Viking Oil Drilling Update

Tamarack commenced its eight well Viking oil drilling program on September 26, 2012 and is currently drilling its fifth well of the program. The Company expects to begin completion operations on the first of four wells by the end of October.

The last well of the program will be a step-out well in the Westlock area. If successful, the Company expects to announce an increase to its already 60-plus low risk, high return drilling locations on this oil trend.

Guidance

Based on field estimates, Tamarack averaged between 2,650-2,660 boe/d in the third quarter of 2012, of which approximately 50% of the production was comprised of oil and natural gas liquids. With the wells drilled in an active spring drilling program continuing to outperform expectations, Tamarack is on track to be in the upper half of its 2012 average production guidance of 2,000 to 2,200 boe/d and expects to meet or exceed its 2012 exit production rate of approximately 2,600 to 2,700 boe/d.

Appointment to Vice President of Exploration

Tamarack is pleased to announce the appointment of Mr. Scott Reimond to Vice President of Exploration. Scott has been with Tamarack since its inception as the Exploration Manager. He is a professional geologist that has worked many plays with Fletcher Challenge Energy Canada, Apache Canada Ltd, Rock Energy Inc and Spearpoint Energy Corporation prior to joining Tamarack.

"Scott has been the leader in positioning the Company in our core areas of Lochend, Garrington, Redwater Viking trend and heavy oil," said Brian Schmidt, President and CEO. "The recently disclosed excellent drilling results, is a reflection of Scott's ability to select quality lands, in quality plays that deliver superior results to shareholders. Tamarack wishes to congratulate him on this promotion."

Increased Credit Facility

Tamarack is also pleased to announce that subsequent to September 30, 2012, the Company increased its operating demand line of credit and non-revolving acquisition/development demand line to a total of $72.5 million from $65 million. The credit facility has been secured by a $155,000,000 debenture with a floating charge over all of Tamarack's assets. The next scheduled review is slated for February 1, 2013.

About Tamarack Valley Energy Ltd.

Tamarack is an oil and gas company involved in the identification, evaluation and operation of resource plays in the Western Canadian Sedimentary Basin. The Company uses a rigorous, proven modeling process to carefully manage risk and identify growth opportunities. Tamarack's diversified suite of oil-focused assets provides exposure to the high impact Cardium light oil resource plays in Lochend, Garrington/Harmattan and Buck Lake in Alberta, low cost Viking light oil resource plays in Redwater, Foley Lake and Westlock in Alberta and highly economic heavy oil opportunities southeast of Lloydminster in Saskatchewan.

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 ("NI 51–101"). Boe's may be misleading, particularly if used in isolation.

Forward-Looking Information

This press release contains certain forward-looking statements within the meaning of applicable securities laws, including statements relating to expected production and decline rates, future drilling plans and operational activities, and the timing of achieving anticipated well payouts. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "attempts" , "equates" , "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information. These forward-looking statements are based on certain key assumptions made by management including assumptions relating to the success of future drilling, completion and development activities, the performance of new and existing wells, the results of operations, the sufficiency of budgeted capital expenditures in carrying out planned activities, prevailing commodity prices and economic conditions, exchange rates, interest rates, applicable royalty rates and tax laws, information from consultants on regulatory processes, the impact of increasing competition, weather and access to drilling locations and rig and personnel availability. Although management considers these assumptions to be reasonable based on information currently available to it, undue reliance should not be placed on these forward-looking statements because Tamarack can give no assurances that they may prove to be correct.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. 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.

The forward-looking statements contained in this news 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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