

FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

Tamarack Valley Energy Ltd. (“**Tamarack**” or the “**Corporation**”)
1800, 407 – 2nd Street S.W.
Calgary, Alberta T2P 2Y3

Item 2 Date of Material Change

July 16, 2012

Item 3 News Release

Tamarack issued a press release on July 16, 2012, which was disseminated through the facilities of Marketwire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On July 16, 2012, the Corporation filed articles of amendment to effect a consolidation of common shares on the basis of twelve (12) pre-consolidation common shares for one (1) post-consolidation common share.

Item 5 Full Description of Material Change

On July 16, 2012, the Corporation filed articles of amendment to effect a consolidation of common shares on the basis of twelve (12) pre-consolidation common shares for one (1) post-consolidation common share (the “**Consolidation**”).

The Consolidation was approved at the annual and special meeting of shareholders of the Corporation held on June 26, 2012, on the basis of up to twelve (12) pre-Consolidation common shares for one (1) post-Consolidation common share, with the final Consolidation ratio to be determined at the discretion of the board of directors. Subsequent to the annual and special meeting of shareholders, the board of directors of Tamarack confirmed and resolved to consolidate the common shares of Tamarack on the basis of twelve (12) pre-Consolidation common shares for one (1) post-Consolidation common share.

Based on discussions with the TSX Venture Exchange, the Corporation expects that the pre-Consolidation common shares of the Corporation will be delisted and the post-Consolidation common shares will commence trading on or about July 17, 2012. The Corporation’s trading symbol, “TVE”, will remain unchanged.

Letters of transmittal will be sent to registered shareholders to facilitate distribution of the post-Consolidation common shares. Registered shareholders will be asked to complete the letter of transmittal and return it to Olympia Trust Company along with their share certificates representing the pre-Consolidation common shares.

Reasons for the Consolidation

The board of directors of Tamarack believes that the Consolidation will reduce Tamarack's outstanding share amount to a level more in keeping with Tamarack's industry peers, enhance the marketability of the common shares as an investment and facilitate additional financings to fund operations in the future.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

The executive officer of Tamarack who is knowledgeable about this material change and this report is Ron Hozjan, Vice President, Finance and Chief Financial Officer.

Phone: (403) 263-4440

Item 9 Date of Report

July 16, 2012

Cautionary Note Regarding Forward-Looking Information

This news release may contain forward-looking statements relating to the activities of Tamarack, including the timing of the de-listing of the pre-Consolidation common shares and the listing of the post-Consolidation common shares, the impact of the Consolidation on the marketability of the common shares, and the mailing of letters of transmittal to registered shareholders and the exchange of share certificates. Readers are cautioned not to place undue reliance on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements may involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions and other forward-looking statements will not occur. These assumptions, risks and uncertainties include, among other things, continued investor interest in the business and future prospects of Tamarack and the timely receipt of required regulatory and exchange approvals. Readers are cautioned that the foregoing factors are not exhaustive.

The forward-looking statements contained in this report are made as of the date of this report. Except as required by law, Tamarack disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additionally, Tamarack undertakes no obligation to comment on the expectations of, or statements made, by any third parties in respect of the matters discussed above.