

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Reporting Issuer:

Tamarack Valley Energy Ltd.
Bow Valley Square 4
3100, 250 - 6th Avenue SW
Calgary, AB T2P 3H7

2. Date of Material Change:

August 20, 2013

3. News Release:

On August 20, 2013, a news release was disseminated through the facilities of Marketwire (the “**News Release**”) and subsequently filed on SEDAR.

4. Summary of Material Change:

On August 20, 2013, Tamarack Valley Energy Ltd. (“**Tamarack**”) and Sure Energy Inc. (“**Sure Energy**”) entered into an arrangement agreement (the “**Arrangement Agreement**”) pursuant to which Tamarack has agreed to acquire all of the issued and outstanding common shares of Sure Energy (“**Sure Energy Shares**”) on the basis of an exchange ratio (“**Exchange Ratio**”) of 0.105 of a common share (“**Tamarack Shares**”) of Tamarack (the “**Transaction**”) for each Sure Energy Share held. The Transaction will be effected by way of a plan of arrangement (“**Plan of Arrangement**”) under the *Business Corporations Act* (Alberta).

The Transaction is subject to the approval of the Alberta Court of Queen’s Bench under the *Business Corporations Act* (Alberta), the receipt of all necessary regulatory and stock exchange approvals, the requisite approval of the shareholders of Sure Energy, completion of the Offering (as defined below) and satisfaction of certain other closing conditions that are customary for a transaction of this nature. Subject to the satisfaction or waiver of all conditions, closing of the Transaction is expected to occur in mid-October.

5. Full Description of the Material Change:

Arrangement Agreement

The following description of the Arrangement Agreement does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, a copy of which is or will be available on SEDAR at www.sedar.com under Tamarack’s profile.

On August 20, 2013, Tamarack and Sure Energy entered into the Arrangement Agreement pursuant to which Tamarack has agreed to acquire all of the issued and outstanding Sure Energy Shares in exchange for Tamarack Shares based on the Exchange Ratio. The Transaction will be effected by way of a Plan of Arrangement under the *Business Corporations Act* (Alberta). Completion of the Transaction is expected to occur on or about October 9, 2013.

Under the Transaction, Tamarack will issue a total of 16,461,966 Tamarack Shares and assume Sure Energy net debt, as at July 31, 2013, of \$32.0 million, in exchange for all of the issued and outstanding Sure Energy Shares as well as the Sure Energy Shares issuable upon the conversion of the Subscription Receipts (as defined below) issued pursuant to the Offering, subject to the terms and conditions of the Arrangement Agreement. All dilutive instruments of Sure Energy will vest and be exercised, surrendered or terminated.

Completion of the Transaction is subject to a number of conditions and approvals including, but not limited to, the approval of the Alberta Court of Queen's Bench under the *Business Corporations Act* (Alberta), the receipt of all necessary regulatory and stock exchange approvals, the requisite approval of the shareholders of Sure Energy, completion of the Offering and satisfaction of certain other closing conditions that are customary for a transaction of this nature.

Under the terms of the Arrangement Agreement, Sure Energy has agreed that it will not solicit or initiate any inquiries or discussions regarding any other business combination or sale of assets, subject to the fiduciary duty of the Sure Energy board of directors, in the event that an unsolicited superior proposal is received by Sure Energy. Sure Energy has granted Tamarack a five business day right to match any superior proposal. Both Tamarack and Sure Energy have agreed to pay a non-completion fee of \$2 million to the other in certain circumstances as set forth in the Arrangement Agreement.

The Arrangement Agreement contains customary representations and warranties regarding the respective businesses of Tamarack and Sure Energy and covenants applicable to each such entity until the closing of the Transaction regarding their respective businesses and affairs.

The board of directors and management of Sure Energy and certain other shareholders, who, in aggregate, own or control approximately 37.9% of the issued and outstanding Sure Energy Shares, have entered into agreements with Tamarack pursuant to which they have agreed to vote their Sure Energy Shares in favour of the Transaction.

Sure Energy Private Placement Offering

Concurrent with the Transaction, Sure Energy has entered into a bought deal private placement offering (the "**Offering**") of subscription receipts of Sure Energy ("**Subscription Receipts**") with a syndicate of underwriters (the "**Underwriters**") led by Dundee Capital Markets, and including GMP Securities L.P., National Bank Financial Inc., AltaCorp Capital Inc., Paradigm Capital Inc., Peters & Co. Limited, RBC Capital Markets and Acumen Capital Finance Partners Limited, whereby the Underwriters have agreed to purchase for resale 96,200,000 Subscription Receipts at a price of \$0.26 per Subscription Receipt for gross proceeds of approximately \$25 million. The net proceeds of the Offering will be used to fund 2013 and 2014 capital expenditures and general corporate purposes.

The gross proceeds from the sale of the Subscription Receipts will be held in escrow and will be released from escrow if certain conditions are satisfied by October 18, 2013, including satisfaction or waiver of all conditions to the completion of the Transaction. If the Transaction is not completed on or before October 18, 2013 or such other date as agreed to in writing by Sure Energy, Tamarack and Dundee Capital Markets (as lead underwriter), on behalf of the Underwriters, or the Arrangement Agreement is terminated at an earlier time, or a party to the Transaction discloses to the public that it does not intend to proceed with the Transaction or Sure Energy advises the Underwriters that it does not intend to proceed with the Transaction, then the

purchase price for the Subscription Receipts shall be returned by Sure Energy to subscribers, together with a pro rata portion of the interest accrued thereon, if any.

Upon satisfaction of certain conditions, including satisfaction or waiver of all conditions to the completion of the Plan of Arrangement, each Subscription Receipt shall, without any further action or payment on the part of the holder thereof and pursuant to the Plan of Arrangement, automatically be converted into one Sure Energy Share which will then be immediately exchanged for 0.105 of a Tamarack Share.

Strategic Rationale of the Arrangement

Pursuant to the Transaction and through the doubling of Tamarack's land position in the Redwater Viking, Tamarack will hold 200 net locations which equates to a 7.7 year drilling inventory based on its projected 12-month forward drilling program. The Transaction has the following characteristics:

Total Transaction Value ⁽¹⁾	\$50.3 million
Production ⁽²⁾	938 boe/d (47% Oil + NGLs)
Proved Reserves ⁽³⁾	2,325 mboe
Proved Plus Probable Reserves ⁽³⁾	4,246 mboe
Proved Plus Probable Reserve Life Index ⁽⁴⁾	14.6 years
Corporate Operating Netback ⁽⁵⁾	\$25.55/boe
Redwater Operating Netback ⁽⁵⁾	\$58.27/boe
Drilling Locations ⁽⁶⁾	159 locations

The Transaction has the following metrics, net of undeveloped land at an estimated value of \$7.3 million, using \$100 per acre: m

Production	\$45,800/boe
Proved Reserves	\$18.46/boe
Proved Plus Probable Reserves	\$10.11/boe
Proved Plus Probable Reserves Recycle Ratio	2.5x

Notes:

(1) Including net debt of \$32 million as at July 31, 2013 and transaction costs for Sure Energy of \$2.5 million.

(2) Production based on Q2'13.

(3) Gross Reserves are Tamarack internal estimates prepared effective August 2013 by a member of management who is a qualified reserve evaluator in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”). Gross Reserves means Sure Energy's working interest reserves before the calculation of royalties, and before the consideration of the company's royalty interests.

(4) Based on production of 938 boe/d.

(5) Based on Q2'13 realized pricing, calculated by subtracting royalties and operating costs from revenue.

(6) Based on Tamarack internal estimates.

The combination of low cost, capital efficient Viking oil exploitation at Redwater and high impact Cardium oil development positions Tamarack for approximately 29% growth in production in 2014 from current pro forma production. With greater critical mass and a concentrated land base within its proven core area, Tamarack will continue to focus on reducing well costs and enhancing economics through a larger drilling program.

Post Transaction Highlights:

Production ⁽¹⁾	3,828 boe/d (56% Oil + NGLs)
Operating Netback ⁽¹⁾	\$35.90/boe
Undeveloped Land	229,130 acres
Low Risk Drilling Inventory ⁽²⁾	365 well locations
Proved Plus Probable Reserves ⁽³⁾	15,431 mboe

Notes:

(1) Production based on Q2'13, calculated by subtracting royalties and operating costs from revenue.

(2) Based on Tamarack internal estimates.

(3) Gross Reserves are Tamarack internal estimates prepared effective August 2013 by a member of management who is a qualified reserve evaluator in accordance with NI 51-101. Gross Reserves means Sure Energy's working interest reserves before the calculation of royalties, and before the consideration of the company's royalty interests.

Financial Advisors

Dundee Capital Markets is acting as exclusive financial advisor to Tamarack and GMP Securities L.P. is acting as financial advisor to Sure Energy with respect to the Transaction.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable as this report is not being filed on a confidential basis.

7. Omitted Information

No information has been omitted.

8. Executive Officer

For any queries relating to this material change, please contact Ron Hozjan, Vice President, Finance and Chief Financial Officer of Tamarack at the above mentioned address or by telephone at (403) 263-4440.

9. Date of Report

August 29, 2013.

Forward Looking Information

This material change report 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 material change report contains statements concerning management’s assessment of future plans and operations, timing of matters related to the approval of the Plan of Arrangement and implementation thereof and the Offering and implementation thereof. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack relating to timing of matters related to the approval of the Plan of Arrangement and implementation thereof and the Offering and implementation thereof and operational plans. 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 and early results on particular wells are not necessarily indicative of longer term results or that wells will ultimately perform on the type curves assumed. Please refer to Tamarack’s revised Annual Information Form (“AIF”) dated March 27, 2013 for additional risk factors relating to Tamarack. The AIF is available for viewing under Tamarack’s profile on www.sedar.com

There are risks also inherent in the nature of the proposed Plan of Arrangement, including failure to realize anticipated production increases and anticipated cost savings and other synergies; risks regarding the integration of Tamarack and Sure Energy; incorrect assessment of the value of Tamarack and/or Sure Energy; and failure to obtain the required shareholder, court, regulatory and other third party approvals. This press release also contains forward-looking information concerning the anticipated completion of the Plan of Arrangement and the anticipated timing thereof. Tamarack and Sure Energy have provided these anticipated times in reliance on certain assumptions that it believes are reasonable, including assumptions as to the time required to prepare Sure Energy meeting materials for mailing, the timing of receipt of the necessary regulatory and court approvals and the satisfaction of and time necessary to satisfy the conditions to the closing of the Plan of Arrangement. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory or court approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Plan of Arrangement. In addition, there are no assurances the Plan of Arrangement will be completed. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements and readers should not place undue reliance on the forward-looking information contained in this press release.

Forward looking statements in this material change report include statements regarding the timing and completion of the Offering and the conversion of the Subscription Receipts into Sure Energy Shares and subsequently be exchanged for Tamarack Shares. The completion and timing of the Offering, is based on

a number of assumptions, including, that all approvals for the Offering will be received and no material adverse change will occur in Sure Energy's operations nor will there be any of the events that would trigger termination rights under the agreement with the Underwriters.

The forward-looking statements contained in this document are made as of the date hereof and Tamarack 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.

Unit Cost Calculation and Other Terminology

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. “**Mboe**” stands for thousand barrels of oil equivalent. 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 NI 51-101. Boe's may be misleading, particularly if used in isolation. Finding and development costs and netbacks have been calculated in the required manner under NI 51-101. 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.

Cautionary Statements

“Reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on analysis of drilling, geological, geophysical, and engineering data; the use of established technology; specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

“Proved Reserves” are those Reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

“Probable Reserves” are those additional Reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves.