



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides a review of the operations, financial results and outlook for Tamarack Valley Energy Ltd. ("Tamarack" or the "Company") for the three and six months ended June 30, 2024 and 2023. This MD&A is dated as at July 31, 2024 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2024 and 2023 ("Interim Financial Statements") and the audited consolidated financial statements for the year ended December 31, 2023. Additional information relating to Tamarack, including the Company's Annual Information Form for the year ended December 31, 2023, is available on SEDAR+ at www.sedarplus.ca and Tamarack's website at www.tamarackvalley.ca.

The Company uses certain Non-GAAP Financial Measures, Non-GAAP Financial Ratios, Capital Management Measures and Capital Management Ratios in this MD&A. Certain Supplemental Financial Measures are also presented on a per boe, per share or on a percentage basis. For additional information regarding these measures, refer to the "Advisories and guidance" section of this MD&A. Unless otherwise indicated, all references to dollar amounts are in Canadian ("CAD") currency.

About Tamarack Valley Energy Ltd.

Tamarack is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. The Company is currently developing two core projects in Northern Alberta – a Clearwater heavy oil position at Nipisi, Marten Hills and South Clearwater and a Charlie Lake light oil position at Valhalla, Wembley and Pipestone. Tamarack also manages an EOR portfolio of diverse assets across Alberta.

As of December 31, 2023, the Company held over 650 sections of acreage across the Clearwater fairway with 112.5 million boe of total gross proved plus probable reserves⁽¹⁾. The Clearwater formations are characterized by strong economics supported by a low cost structure, low production declines and multiple payouts on initial investment. The formation also has enhanced recovery potential. Tamarack produced over 38,000 boe per day of heavy oil and natural gas (94% liquids) from Clearwater in the first half of 2024.

Tamarack holds over 250 sections of Charlie Lake acreage with 67.4 million boe of total gross proved plus probable reserves⁽¹⁾ providing the Company with extensive light oil development opportunities through multi-well pad drilling with extended horizontal reach. The Charlie Lake formations are characterized by short payout periods and low break-even economics. The Company produced over 15,000 boe per day of oil and natural gas (68% liquids) from Charlie Lake in the first half of 2024.

Tamarack has 103 employees at the corporate head office and seven employees at field level operations. The Company is incorporated and domiciled in Alberta, Canada with the head office located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. Tamarack is a publicly traded company on the Toronto Stock Exchange ("TSX") and is traded under the symbol "TVE".

H1 2024 in review

Robust first half production of 63,082 boe per day (Q2: 64,143 boe per day), strong heavy oil price realizations and execution of Tamarack's capital and operations programs have generated significant free funds flow⁽²⁾ of \$189.0 million in the first half of the year, allowing the Company to reduce net debt by \$100.9 million and deliver \$74.8 million to shareholders in the form of base dividends and share buybacks. Since the beginning of 2022, Tamarack has now returned over \$210.0 million to shareholders.

In June 2024, Tamarack achieved its second net debt threshold within its return of capital framework ahead of schedule, providing the Company with an opportunity to further grow shareholder distributions in the near term. Tamarack is planning to allocate up to 60% of free funds flow⁽²⁾ towards shareholder returns and the remaining 40% towards net debt⁽²⁾ reduction.

(1) Based upon the independent reserves evaluations conducted by McDaniel & Associates Consultants Ltd. ("McDaniel") and GLJ Ltd. ("GLJ"), as at December 31, 2023. Refer to "Advisories and guidance" for additional information about the independent reserves evaluations conducted by McDaniel and GLJ.

(2) Refer to "Advisories and guidance" for more information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Q2 2024 operational and financial highlights

June 30	Three months ended			Six months ended		
	2024	2023	% change	2024	2023	% change
(\$ thousands, except per share amounts)						
Oil and natural gas sales, before blending	\$ 461,479	\$ 399,155	16	\$ 854,815	\$ 777,701	10
Cash provided by operating activities	225,370	156,265	44	390,571	215,889	81
Per share – basic	0.41	0.28	46	0.71	0.39	82
Per share – diluted	0.41	0.28	46	0.71	0.39	82
Adjusted funds flow ⁽¹⁾	225,554	157,253	43	407,110	314,524	29
Per share – basic ⁽¹⁾	0.41	0.28	46	0.74	0.57	30
Per share – diluted ⁽¹⁾	0.41	0.28	46	0.74	0.56	32
Free funds flow ⁽¹⁾	137,194	39,112	251	189,005	47,346	299
Per share – basic ⁽¹⁾	0.25	0.07	256	0.34	0.09	305
Per share – diluted ⁽¹⁾	0.25	0.07	256	0.34	0.08	305
Net income	94,887	25,735	269	62,143	28,240	120
Per share – basic	0.17	0.05	240	0.11	0.05	120
Per share – diluted	0.17	0.05	240	0.11	0.05	120
Net debt ⁽¹⁾	882,669	1,373,620	(36)	882,669	1,373,620	(36)
Investments in oil and natural gas assets	86,341	117,831	(27)	214,562	265,993	(19)
Weighted average shares outstanding						
Basic	548,012	556,461	(2)	548,449	556,504	(1)
Diluted	551,763	560,016	(1)	551,880	560,437	(2)
Average daily production						
Heavy oil (bbls/d)	37,660	35,373	6	36,957	34,889	6
Light oil (bbls/d)	14,807	16,382	(10)	15,039	16,706	(10)
NGL (bbls/d)	2,533	3,645	(31)	2,229	3,882	(43)
Natural gas (mcf/d)	54,856	68,027	(19)	53,144	71,143	(25)
Total (boe/d)	64,143	66,738	(4)	63,082	67,334	(6)
Average sale prices						
Heavy oil, net of blending expense (\$/bbl) ⁽¹⁾	\$ 88.19	\$ 73.02	21	\$ 82.09	\$ 67.42	22
Light oil (\$/bbl)	106.24	91.74	16	96.23	93.38	3
NGL (\$/bbl)	36.58	36.64	(0)	39.15	41.53	(6)
Natural gas (\$/mcf)	1.51	2.39	(37)	2.20	2.97	(26)
Total (\$/boe)	79.04	65.66	20	74.27	63.63	17
Benchmark pricing						
West Texas Intermediate (US\$/bbl)	80.57	73.78	9	78.77	74.95	5
Western Canadian Select (WCS) (C\$/bbl)	91.63	78.76	16	84.70	74.03	14
WCS differential (US\$/bbl)	13.61	15.14	(10)	16.46	20.01	(18)
Edmonton Par (Cdn\$/bbl)	105.28	94.97	11	98.72	96.99	2
Edmonton Par differential (US\$/bbl)	3.63	3.08	18	6.14	2.98	106
Foreign Exchange (USD to CAD)	1.37	1.34	2	1.36	1.35	1
Operating netback (\$/Boe)						
Realized sales price, net of blending ⁽¹⁾	79.04	65.66	20	74.27	63.63	17
Royalty expenses	(14.67)	(12.70)	16	(14.08)	(12.34)	14
Net production expenses ⁽¹⁾	(9.34)	(10.25)	(9)	(9.39)	(10.37)	(9)
Transportation expenses	(3.93)	(3.98)	(1)	(4.05)	(3.94)	3
Carbon tax	(0.50)	-	nm	(0.56)	-	nm
Operating field netback (\$/Boe) ⁽¹⁾	50.60	38.73	31	46.19	36.98	25
Realized commodity hedging loss	(0.67)	(2.05)	(67)	(0.16)	(1.56)	(90)
Operating netback (\$/Boe)⁽¹⁾	\$ 49.93	\$ 36.68	36	\$ 46.03	\$ 35.42	30
Adjusted funds flow (\$/Boe)⁽¹⁾	\$ 38.64	\$ 25.89	49	\$ 35.46	\$ 25.81	37

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Highlights for the three months ended June 30, 2024

Production - Production in the second quarter of 2024 averaged 64,143 boe per day exceeding full year guidance on an annualized basis. The 4% quarter-over-quarter decline in production compared to the second quarter of 2023 was primarily due to the non-core Cardium asset disposition in November 2023, partially offset by successful drilling and development programs in both the Clearwater and Charlie Lake in the first half of 2024. The Company's oil and liquids weighting also grew to 86% compared to 83%.

Despite third-party service interruptions at a natural gas processing facility experienced in the beginning of the second quarter affecting approximately 10% of Tamarack's Clearwater oil production, the operations and development team was able to swiftly restore the majority of the oil production. The team utilized various mitigation strategies, including the diversion of natural gas to alternative third-party facilities and the reinjection of produced solution gas back into the reservoir. The restoration of affected oil volumes in the second quarter allowed Tamarack to maintain its production guidance for the full year of 61,000 – 63,000 boe per day. The third-party natural gas processing facility was brought back online by the end of the second quarter.

Realizations - Tamarack has continued to attain higher margins through improved heavy oil price realizations from ongoing marketing initiatives and an improved commodity price environment. In the second quarter of 2024, the Company's heavy oil price differential, net of transportation expenses⁽¹⁾ relative to the Hardisty Heavy benchmark price was \$7.98 per boe, compared to the second quarter 2023 differential of \$11.02 per boe, reflecting a 28% quarter-over-quarter improvement. Tamarack's light oil price differential, net of transportation expenses⁽¹⁾ relative to the Edmonton Par benchmark price also saw a 59% improvement quarter-over-quarter due to a positive pipeline adjustment from the first quarter. Overall, the Company's average realized price of \$79.04 per boe in the second quarter of 2024 improved by 20% compared the same period in the prior year, reflecting improved benchmark commodity prices, higher oil-weighted production, lower wellhead deductions, and higher foreign exchange rates on U.S. denominated sales contracts.

Cash Flows - Tamarack delivered cash provided by operating activities of \$225.4 million during the three months ended June 30, 2024. The Company also delivered second quarter adjusted funds flow⁽¹⁾ of \$225.6 million supported by production outperformance, strong heavy oil price realizations and lower net production expenses⁽¹⁾ and was primarily utilized to fund debt repayment and return capital to shareholders. Tamarack's free funds flow⁽¹⁾ of \$137.2 million in Q2 2024 reflects a \$98.1 million improvement compared to the same quarter in the prior year.

Investments in Oil and Natural Gas Assets - Tamarack invested \$86.3 million in Q2 2024 for ongoing development of the Clearwater and Charlie Lake plays. The Company's second quarter drilling program included 13.8 net Clearwater heavy oil wells. Capital investments also included \$3.3 million of gas conservation projects for the Clearwater Infrastructure Partnership. These targeted infrastructure investments have facilitated production growth and net production expense⁽¹⁾ reductions. Following the completion of these infrastructure projects near the end of the second quarter, Tamarack received the remaining proceeds from the Clearwater Infrastructure Partnership formation of \$15.0 million.

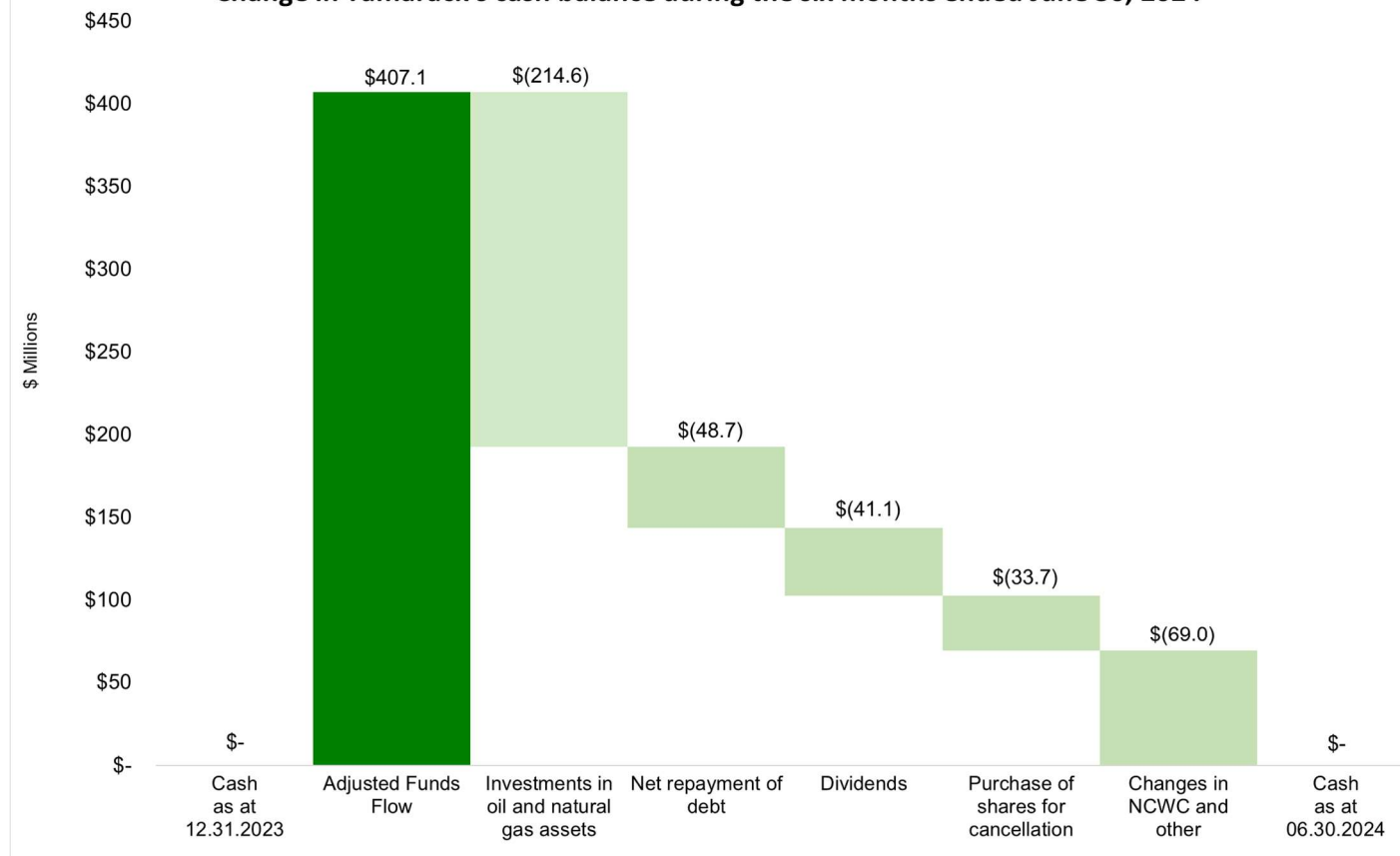
Debt Renewal - During the second quarter of 2024, Tamarack amended the Credit Facility primarily to extend the maturity date by one year to 2027 and to add an uncommitted accordion feature that provides the Company with the ability to access an incremental \$125.0 million of secured debt subject to certain conditions, including syndicate approval for a total potential capacity of \$1.0 billion. As at June 30, 2024, Tamarack had undrawn capacity of \$273.1 million under the Company's \$875.0 million revolving credit facility.

Shareholder Returns – Strong free funds flow⁽¹⁾ in the first half of 2024 of \$189.0 million has allowed the Company to reduce its Net Debt⁽¹⁾ by \$100.9 million to \$882.7 million. The Company purchased and cancelled 9.7 million common shares at a total cost of \$33.7 million (inclusive of taxes and fees). Tamarack also declared base dividends to shareholders of \$41.1 million (\$0.075 per share). Since the beginning of 2022, Tamarack has now returned over \$210.0 million to shareholders in the form of dividends and share buybacks.

In June, Tamarack achieved its second net debt threshold of less than \$900.0 million within its return of capital framework ahead of schedule, providing the Company with an opportunity to further grow shareholder distributions in the near term. Tamarack is currently planning to allocate 60% of free funds flow⁽²⁾ towards shareholder returns and 40% towards net debt⁽²⁾ reduction.

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Change in Tamarack's cash balance during the six months ended June 30, 2024



Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures. NCWC = non-cash working capital.

Annual guidance

2024 Outlook For the year ended December 31	Revised guidance (May 7, 2024) 2024
Base 2024 capital investments budget (\$ millions) ⁽¹⁾	390 - 440
Annual average production (boe/d)	61,000 - 63,000
Average oil & NGL weighting (%)	84 - 86
Royalty rate (%)	20 - 22
Corporate wellhead price differential - Oil	2.00 - 3.00
Net production (\$/boe) ⁽²⁾	8.75 - 9.25
Transportation (\$/boe)	3.75 - 4.10
Carbon tax (\$/boe)	0.50 - 1.00
General and administrative (\$/boe)	1.35 - 1.50
Interest (\$/boe)	3.80 - 4.20
Income taxes (% of Adjusted Funds flow)	9 - 11

(1) Capital investments reflected in the table above reflects Tamarack's base 2024 budget and excludes the impact of the incremental CSV Albright expansion budget of up to \$40-\$50 million. Amounts also exclude decommissioning obligation expenditures, acquisitions, dispositions and Clearwater Infrastructure Partnership gas conservation projects.

(2) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

The Company currently plans to direct the majority of the free funds flow earned in 2024 to shareholder distributions and net debt reduction. Tamarack's capital investment program for the second half of 2024 will continue to focus primarily on Clearwater and Charlie Lake drilling and development activities. 2024 investments include secondary recovery expansion of Clearwater waterflood projects at Nipisi and Marten Hills. Other capital projects consist of infrastructure expansions in the Clearwater area to support ongoing production growth. Tamarack continues to monitor the status of the CSV Albright sour gas plant and commodity prices prior to allocating any incremental drilling capital for volumes associated with that project.

The Company's full-year production guidance remains unchanged with average production of 61,000 – 63,000 boe per day with the Company having been able to successfully restore operations stemming from service interruptions at a third-party natural gas processing facility in the second quarter.

Net production expense guidance for the full year remains unchanged as additional waterflood rollouts, pipeline connections, lower electricity prices and seasonal expenses are anticipated to result in a planned second half reduction to production expenses on a per boe basis.

Production

June 30	Three months ended			Six months ended		
	2024	2023	% change	2024	2023	% change
Production						
Heavy oil (bbls/d)	37,660	35,373	6	36,957	34,889	6
Light oil (bbls/d)	14,807	16,382	(10)	15,039	16,706	(10)
Natural gas liquids (bbls/d)	2,533	3,645	(31)	2,229	3,882	(43)
Natural gas (mcf/d)	54,856	68,027	(19)	53,144	71,143	(25)
Total (boe/d)	64,143	66,738	(4)	63,082	67,334	(6)
Total (boe)	5,837,006	6,073,126	(4)	11,481,039	12,187,529	(6)
Percentage of oil and NGLs	86%	83%	4	86%	82%	5

Tamarack's production for the three and six months ended June 30, 2024 decreased 4% and 6%, respectively, compared to the same periods in 2023, primarily due to non-core property dispositions in the fourth quarter of 2023 and first half of 2024 and base declines, partially offset by higher production from the Company's ongoing drilling and development programs in the Clearwater and Charlie Lake areas. Tamarack's oil and NGL weighting for the three and six months ended June 30, 2024 increased by 4% and 5%, respectively, compared to the same periods in 2023, primarily due to the higher relative natural gas-weighted property dispositions in Q4 2023.

Petroleum and natural gas sales

(\$ thousands, except per unit)						
June 30	Three months ended			Six months ended		
	2024	2023	% change	2024	2023	% change
Revenue						
Heavy oil, net of blending expense ⁽¹⁾	\$ 302,230	\$ 235,036	29	\$ 552,156	\$ 425,729	30
Light oil	143,152	136,765	5	263,375	282,378	(7)
Natural gas	7,525	14,821	(49)	21,253	38,203	(44)
Natural gas liquids	8,431	12,152	(31)	15,885	29,184	(46)
Total, net of blending expense ⁽¹⁾	\$ 461,338	\$ 398,774	16	\$ 852,669	\$ 775,494	10
Average realized price:						
Heavy oil, net of blending expense (\$/bbl) ⁽¹⁾	\$ 88.19	\$ 73.02	21	\$ 82.09	\$ 67.42	22
Light oil (\$/bbl)	106.24	91.74	16	96.23	93.38	3
Natural gas (\$/mcf)	1.51	2.39	(37)	2.20	2.97	(26)
Natural gas liquids (\$/bbl)	36.58	36.64	(0)	39.15	41.53	(6)
Combined average oil and NGL (\$/boe)	90.67	76.16	19	84.25	73.43	15
Revenue, net of blending expense (\$/boe) ⁽¹⁾	\$ 79.04	\$ 65.66	20	\$ 74.27	\$ 63.63	17

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

For the three months ended June 30, 2024, revenues increased by \$62.6 million compared to the same period in 2023, due to higher realized prices of \$81.2 million, partially offset by lower production of \$18.6 million. For the first half of 2024, revenues increased by \$77.2 million compared to the same period in 2023, due to higher realized prices of \$129.7 million, partially offset by lower production of \$52.5 million. The Company's realized price improved by 20% and 17% for the three and six months ended June 30, 2024, respectively, compared to the same periods in the prior year, primarily due to improved benchmark oil prices, lower wellhead deductions and higher foreign exchange rates on U.S. denominated sales contracts.

June 30	Three months ended			Six months ended		
	2024	2023	% change	2024	2023	% change
Benchmark pricing						
West Texas Intermediate (US\$/bbl)	\$ 80.57	\$ 73.78	9	\$ 78.77	\$ 74.95	5
Western Canadian Select (WCS/Hardisty Heavy)(Cdn\$/bbl)	91.63	78.76	16	84.70	74.03	14
WCS differential, relative to WTI (US\$/bbl)	13.61	15.14	(10)	16.46	20.01	(18)
Edmonton Par (light sweet) (Cdn\$/bbl)	105.28	94.97	11	98.72	96.99	2
Edmonton Par differential, relative to WTI (US\$/bbl)	3.63	3.08	18	6.14	2.98	106
NYMEX monthly settlement (US\$/mmbtu)	1.89	2.10	(10)	2.07	2.76	(25)
AECO daily index (Cdn\$/mcf)	1.17	2.40	(51)	1.83	2.80	(35)
AECO monthly index (Cdn\$/mcf)	1.43	2.33	(39)	1.74	3.33	(48)
Foreign exchange (USD to CAD)	1.37	1.34	2	1.36	1.35	1

The price of West Texas Intermediate (“WTI”) for crude oil sales at Cushing, Oklahoma is the primary benchmark for crude oil pricing in North America. The differential price between Western Canadian crude and WTI is impacted by multiple factors including domestic production, inventory levels, pipeline capacity, US refinery intake capacity and storage constraints in Canada. The price that Tamarack receives for the sale of its crude oil is discounted for delivery points in Alberta and also adjusted for quality based on the actual density of the oil relative to the quoted benchmark.

During the three and six months ended June 30, 2024, the WTI benchmark increased 9% and 5%, respectively, compared to the same periods in 2023, as commodity prices were supported by escalating regional conflicts in the middle east and Ukraine and ongoing production restrictions imposed by OPEC+. The WCS differential strengthened by 10% and 18% in the three and six months ended June 30, 2024, respectively, primarily due to improved North American demand and the successful start-up of the TMX pipeline to the west coast. The Edmonton Par differential weakened by 18% and 106% during the three and six months ended June 30, 2024, primarily due to an over-supply of sweet oil in Alberta and higher inventory balances particularly in the first quarter. Natural gas benchmarks declined in 2024 primarily due to the significant over-supply and lower local demand from a mild winter.

June 30	Three months ended			Six months ended		
	2024	2023	% change	2024	2023	% change
Heavy oil wellhead price realization (\$/bbl)						
Hardisty Heavy benchmark price	\$ 91.63	\$ 78.76	16	\$ 84.70	\$ 74.03	14
Less: Tamarack's heavy oil realized price, net of blending	(88.19)	(73.02)	21	(82.09)	(67.42)	22
Heavy oil wellhead price differential ⁽¹⁾	\$ 3.44	\$ 5.74	(40)	\$ 2.61	\$ 6.61	(61)
Add: Transportation expenses - heavy oil	4.54	5.28	(14)	4.55	5.64	(19)
Heavy oil differential, including transportation expenses ⁽¹⁾	\$ 7.98	\$ 11.02	(28)	\$ 7.16	\$ 12.25	(42)
Light oil wellhead price realization (\$/bbl)						
Edmonton Par benchmark price	\$ 105.28	\$ 94.97	11	\$ 98.72	\$ 96.99	2
Less: Tamarack's light oil realized price	(106.24)	(91.74)	16	(96.23)	(93.38)	3
Light oil wellhead price differential ⁽¹⁾	(0.96)	3.23	(130)	2.49	3.61	(31)
Add: Transportation expenses - light oil	3.65	3.32	10	3.97	2.47	61
Light oil differential, including transportation expenses ⁽¹⁾	\$ 2.69	\$ 6.55	(59)	\$ 6.46	\$ 6.08	6

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Tamarack has continued to drive higher margins through improved heavy oil price realizations from ongoing marketing initiatives and an improved commodity price environment. During the three and six months ended June 30, 2024, the Company's heavy oil differential including transportation expenses, improved by 28% and 42% respectively compared to the same periods in 2023 reflecting the commencement of new oil transportation contracts on the Secure-Pembina Nipisi pipeline and blending terminal, the start-up of the TMX pipeline and optimized sales points for trucked heavy oil production.

In the second quarter of 2024, the Company's light oil differential including transportation expenses improved by 59% compared to the same period in the prior year. Despite transportation expenses increasing from pipeline tariff escalation, strong overall netbacks were experienced due to a positive pipeline adjustment from the first quarter.

Risk management

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023		2024	2023	
Realized loss	\$ (3,907)	\$ (12,466)		\$ (1,827)	\$ (18,970)	
Unrealized gain (loss)	21,381	8,601		(34,209)	6,252	
Total risk management contracts	\$ 17,474	\$ (3,865)		\$ (36,036)	\$ (12,718)	
Realized loss (\$/boe)	\$ (0.67)	\$ (2.05)		\$ (0.16)	\$ (1.56)	

Changes in crude oil benchmarks and price differentials can have a significant impact on Tamarack's oil and natural gas sales, cash provided by operating activities and adjusted funds flow. Tamarack enters into risk management contracts on a prudent, non-speculative basis in order to reduce liquidity risk and stabilize near-term adjusted funds flow which allows the Company to fund capital investment programs, net debt reduction and the return of capital to shareholders.

Risk management instruments are measured at their estimated fair market value at each reporting period. An unrealized gain on commodity risk management contracts reflects a non-cash increase in value resulting from a decline in future estimated commodity prices relative to Tamarack's contract positions. A realized commodity risk management contract gain generally reflects the actual cash settlement of the Company's fixed price position relative to a lower actual underlying market price at the maturity date. Realized and unrealized losses generally result from increases in actual and future estimated commodity prices, respectively.

As at June 30, 2024, Tamarack's outstanding commodity risk management contracts had a net asset value of \$1.7 million (December 31, 2023 – \$35.9 million net asset). Tamarack's derivative contracts can be found in note 6 of the Interim Financial Statements.

Royalties

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Total royalty expenses	\$ 85,650	\$ 77,140	11	\$ 161,619	\$ 150,432	7
Total (\$/boe)	14.67	12.70	16	14.08	12.34	14
Percentage of sales, net of blending (%)	19	19	-	19	19	-

Royalties as a percentage of sales, net of blending expense, for the three and six months ended June 30, 2024 was consistent with the same periods in the prior year. Gross royalty expense increased by 11% and 7% in the second quarter and first half of 2024, compared to the same periods in 2023, primarily due to higher commodity prices partially offset by lower production.

Net production expenses

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Production expenses	\$ 55,146	\$ 61,430	(10)	\$ 110,086	\$ 126,470	(13)
Less: processing (income) expense	(617)	836	(174)	(2,318)	(73)	nm
Total net production expenses ⁽¹⁾	\$ 54,529	\$ 62,266	(12)	\$ 107,768	\$ 126,397	(15)
Total (\$/boe) ⁽¹⁾	\$ 9.34	\$ 10.25	(9)	\$ 9.39	\$ 10.37	(9)

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

For the three and six months ended June 30, 2024, per unit net production expenses declined by 9% compared to the same periods in 2023, primarily due to the new gas-gathering facilities brought on-line in the second half of 2023, the commissioning of the Wembley gas plant at Charlie Lake, lower energy costs, pipeline connections and the realization of synergies across the Clearwater asset areas at Nipisi and Marten Hills. Net production expenses also declined as a result of the non-core property dispositions in Q4 2023 and H1 2024 which carried higher relative operating costs on a per barrel basis relative to Tamarack's corporate averages.

Transportation expenses

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Transportation expense - oil	\$ 20,478	\$ 21,951	(7)	\$ 41,484	\$ 43,079	(4)
Transportation expense - gas	2,455	2,239	10	5,026	4,949	2
Total transportation expenses	\$ 22,933	\$ 24,190	(5)	\$ 46,510	\$ 48,028	(3)
Total (\$/boe)	\$ 3.93	\$ 3.98	(1)	\$ 4.05	\$ 3.94	3

(1) Pipeline tariffs are generally classified as transportation expenses when the Company has firm commitments or contractual arrangements on the pipeline. Pipeline tariffs may also be included indirectly as a deduction from the base price paid by a purchaser of Tamarack's oil, NGL and gas sales. In the latter case, the tariffs are reflected as a reduction of revenue rather than a transportation expense.

For the three and six months ended June 30, 2024, oil transportation expenses decreased by 7% and 4%, respectively, compared to the same periods in 2023, primarily due to lower transportation expenses in respect to the Company's Secure-Pembina Nipisi pipeline oil transportation contract and reduced trucking activities.

The Company's transportation expense per boe increased by 3% for the first half of 2024 primarily due to the sales of Cardium assets in November 2023 which carried a lower relative transportation cost on a per boe basis.

Operating netback

(\$/boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Realized sales price, net of blend expense ⁽¹⁾	\$ 79.04	\$ 65.66	20	\$ 74.27	\$ 63.63	17
Royalty expenses	(14.67)	(12.70)	16	(14.08)	(12.34)	14
Net production expenses ⁽¹⁾	(9.34)	(10.25)	(9)	(9.39)	(10.37)	(9)
Transportation expenses	(3.93)	(3.98)	(1)	(4.05)	(3.94)	3
Carbon tax	(0.50)	-	nm	(0.56)	-	nm
Operating field netback ⁽¹⁾	\$ 50.60	\$ 38.73	31	\$ 46.19	\$ 36.98	25
Realized hedging loss	(0.67)	(2.05)	(67)	(0.16)	(1.56)	(90)
Operating netback ⁽¹⁾	\$ 49.93	\$ 36.68	36	\$ 46.03	\$ 35.42	30

(\$ thousands)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Realized sales price, net of blend expense ⁽¹⁾	\$ 461,338	\$ 398,774	16	\$ 852,669	\$ 775,494	10
Royalty expenses	(85,650)	(77,140)	11	(161,619)	(150,432)	7
Net production expenses ⁽¹⁾	(54,529)	(62,266)	(12)	(107,768)	(126,397)	(15)
Transportation expenses	(22,933)	(24,190)	(5)	(46,510)	(48,028)	(3)
Carbon tax	(2,934)	-	nm	(6,459)	-	nm
Operating field netback ⁽¹⁾	\$ 295,292	\$ 235,178	26	\$ 530,313	\$ 450,637	18
Realized hedging loss	(3,907)	(12,466)	(69)	(1,827)	(18,970)	(90)
Operating netback ⁽¹⁾	\$ 291,385	\$ 222,712	31	\$ 528,486	\$ 431,667	22

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

For the three and six months ended June 30, 2024, the operating netback per boe increased by 36% and 30%, respectively, compared to the same periods in 2023, primarily due to higher heavy oil commodity prices, lower net production expenses and lower realized hedging losses partially offset by higher royalties, transportation expenses and carbon taxes.

General and administrative ("G&A") expenses

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
G&A costs	\$ 11,392	\$ 10,568	8	\$ 23,711	\$ 21,170	12
Less: capitalized costs and recoveries	(3,363)	(2,808)	20	(6,715)	(5,611)	20
G&A expenses	\$ 8,029	\$ 7,760	3	\$ 16,996	\$ 15,559	9
Total (\$/boe)	\$ 1.38	\$ 1.28	8	\$ 1.48	\$ 1.28	16

For the three and six months ended June 30, 2024, G&A costs per boe increased by 8% and 16%, respectively, compared to the same periods in 2023, primarily due to increased staffing costs, higher legal and other expenses in the first quarter and lower production.

Stock-based compensation expense

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Stock-based compensation costs	\$ 4,089	\$ 7,549	(46)	\$ 10,638	\$ 11,638	(9)
Less: capitalized costs	(608)	(752)	(19)	(2,615)	(2,055)	27
Stock-based compensation expense	\$ 3,481	\$ 6,797	(49)	\$ 8,023	\$ 9,583	(16)
Total (\$/boe)	\$ 0.60	\$ 1.12	(46)	\$ 0.70	\$ 0.79	(11)

Stock-based compensation expense for the three and six months ended June 30, 2024, decreased by 49% and 16%, respectively, compared to the same periods in 2023, primarily due to high settlement of cash-settled units in 2022 and 2023 and changes in share price, partially offset by new grants issued in the second quarter of 2024.

Finance expense

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Syndicated Facility	\$ 12,295	\$ 15,492	(21)	\$ 24,481	\$ 28,557	(14)
Senior Notes	5,393	5,452	(1)	10,816	10,816	-
Clearwater infrastructure liability	3,566	-	nm	7,162	-	nm
DAP Notes	-	2,963	(100)	792	6,642	(88)
Other interest and fees	299	(210)	(242)	455	1,922	(76)
Cash interest expense	\$ 21,553	\$ 23,697	(9)	\$ 43,706	\$ 47,937	(9)
Deferred borrowing costs and loan accretion	1,933	1,896	2	4,031	3,756	7
Unrealized foreign exchange loss (gain) on	(263)	3,518	(107)	2,427	(5,292)	(146)
Unrealized loss (gain) on cross-currency	116	(3,019)	(104)	(2,583)	5,223	(149)
Accretion of decommissioning obligations	1,400	1,986	(30)	3,072	4,239	(28)
Finance expense	\$ 24,739	\$ 28,078	(12)	\$ 50,653	\$ 55,863	(9)
Total finance expense (\$/boe)	4.24	4.62	(8)	4.41	4.58	(4)
Total cash interest expense (\$/boe)	3.69	3.90	(5)	3.81	3.93	(3)
Average draw on Syndicated Facility	\$ 663,620	\$ 827,757	(20)	\$ 606,035	\$ 778,300	(22)
Average outstanding Senior Notes	\$ 300,000	\$ 300,000	-	\$ 300,000	\$ 300,000	-
Average outstanding DAP Notes	\$ -	\$ 206,117	(100)	\$ 28,334	\$ 230,976	(88)

For the three and six months ended June 30, 2024, cash interest expense decreased by 9% compared to the same periods in the prior year, primarily due to the lower average balances of the Syndicated Facility and DAP Notes and lower interest rates, partially offset by interest expense on the Clearwater infrastructure liability that was issued in the fourth quarter of 2023.

The Company amortizes capitalized issuance costs over the term of its corresponding debt instrument and incurs standby fees on the undrawn portion of the Syndicated Facility. Financing expenses include the realized and unrealized gains and losses resulting from the revaluation of outstanding US dollar denominated credit facility draws at each reporting period, as well as the corresponding foreign exchange cross-currency swap contracts that are aligned with these hedged credit facility draws. Offsetting realized gains and losses from the net settlement of these financial instruments are reflected net in the table above.

Income taxes

(\$ thousands)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Current income tax expense	\$ 30,443	\$ 24,470	24	\$ 54,668	\$ 44,759	22
Deferred income tax recovery	(7,782)	(20,287)	(62)	(43,588)	(32,385)	35
Total income tax expense	\$ 22,661	\$ 4,183	442	\$ 11,080	\$ 12,374	(10)
Statutory tax rate	23%	23%	-	23%	23%	-
Effective tax rate	19%	14%	38	15%	30%	(50)

Total income tax expense for the three months ended June 30, 2024 increased by 442% compared to the same period in the prior year, primarily due to higher operating earnings. During the six months ended June 30, 2024, total income tax expense decreased 10% primarily due to dispositions and losses on risk management contracts, partially offset by higher operating earnings.

Depletion, depreciation and amortization ("DD&A")

(\$ thousands, except per boe)	Three months ended			Six months ended		
June 30	2024	2023	% change	2024	2023	% change
Depletion, depreciation and amortization	\$ 148,630	\$ 160,689	(8)	\$ 296,831	\$ 318,995	(7)
Total (\$/boe)	\$ 25.46	\$ 26.46	(4)	\$ 25.85	\$ 26.18	(1)

For the three and six months ended June 30, 2024, DD&A expense per boe were relatively consistent with the prior year. Gross DD&A expense in the second quarter and first half of 2024 decreased 8% and 7%, respectively, primarily due to lower production volumes.

Dispositions

During the six months ended June 30, 2024 the Company sold certain non-core oil and natural gas assets to third-parties for nominal consideration and recorded a loss on disposals of \$47.5 million. As part of the dispositions, Tamarack was able to reduce undiscounted and uninflated decommissioning obligations by \$20.3 million.

Adjusted funds flow and net income

(\$ thousands, except per share amounts)						
June 30	Three months ended			Six months ended		
	2024	2023	% change	2024	2023	% change
Cash provided by operating activities	\$ 225,370	\$ 156,265	44	\$ 390,571	\$ 215,889	81
Decommissioning expenditures	2,019	310	551	3,543	1,185	199
Changes in non-cash working capital	(1,835)	678	nm	12,996	97,450	(87)
Adjusted funds flow ⁽¹⁾	225,554	157,253	43	407,110	314,524	29
Per share - basic ⁽¹⁾	0.41	0.28	46	0.74	0.57	30
Per share - diluted ⁽¹⁾	0.41	0.28	46	0.74	0.56	32
Net income	\$ 94,887	\$ 25,735	269	\$ 62,143	\$ 28,240	120
Per share - basic	0.17	0.05	240	0.11	0.05	120
Per share - diluted	0.17	0.05	240	0.11	0.05	120

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Cash provided by operating activities increased by 44% and 81%, respectively, in the second quarter and first half of 2024, compared to the same periods in the prior year, primarily due to higher realized commodity prices and a full year of 2022 tax instalments remitted to the Government in the first half of 2023 (reflected through non-cash working capital). Adjusted funds flow for the three and six months ended June 30, 2024 increased by 43% and 29%, respectively, compared to the same periods in the prior year, primarily due to higher realized commodities prices and operating netbacks, partially offset by lower production.

The Company recorded net income of \$94.9 million during the three months ended June 30, 2024, compared to net income of \$25.7 million in the same period in 2023 primarily due to higher operating netbacks. For the six months ended June 30, 2024 Tamarack recorded net income of \$62.1 million compared to \$28.2 million in the same period in 2023 due to higher operating netbacks partially offset by losses on dispositions and risk management contracts.

Investments in oil and natural gas assets

(\$ thousands)						
June 30	Three months ended			Six months ended		
	2024	2023	% change	2024	2023	% change
Drilling, completion and equipping	\$ 46,588	\$ 79,886	(42)	\$ 143,118	\$ 176,457	(19)
Facilities	31,183	30,507	2	58,558	80,508	(27)
Land, seismic and other	8,570	7,438	15	12,886	9,028	43
Investments in oil and natural gas assets	\$ 86,341	\$ 117,831	(27)	\$ 214,562	\$ 265,993	(19)
Acquisitions	-	12,148	(100)	-	15,087	(100)
Dispositions	(80)	(2,271)	nm	1,717	(2,451)	nm

The following table summarizes the number of wells drilled by Tamarack during the three and six months ended June 30, 2024 and 2023:

Net wells drilled June 30	Three months ended		Six months ended	
	2024	2023	2024	2023
Clearwater	13.8	19.0	46.7	51.0
Charlie Lake	-	5.0	5.4	12.8
	13.8	24.0	52.1	63.8

Site access, owing to the wet spring conditions, limited second quarter activity with planned projects expected to proceed in the second half of 2024. First half 2024 investments included numerous infrastructure expansion projects in the Clearwater area for gas conservation, oil treating and water injection as well as construction of the Wembley gas plant. The targeted infrastructure investments have facilitated production growth, a reduction of net production expense and carbon tax and the abatement of greenhouse gas emissions. Capital investments also included \$10.6 million to complete certain natural gas conservation projects that were sanctioned with the Clearwater Infrastructure Partnership in the fourth quarter of 2024. Upon completion of these facilities in June, Tamarack received the remaining proceeds from the Clearwater Infrastructure Partnership formation of \$15.0 million.

Liquidity and capital resources

Capital Management

The Company actively manages capital and liquidity risk through the continuous monitoring of asset performance, forecasting anticipated future cash flows in conjunction with the design of the annual capital investment programs, maintaining available credit under bank facilities, managing debt maturity dates, hedging a portion of the Company's production, judiciously assessing new capital investment, acquisition or divestment opportunities and the pursuit of new liquidity, if necessary.

Tamarack accelerated its enhanced return initiative by renewing its normal course issuer bid in January 2024. Tamarack continues to distribute a monthly base dividend of \$0.0125 per common share. The Company has reduced its net debt by \$100.9 million year-to-date and by \$491.0 million since the second quarter of 2023.

As at June 30, 2024, the Company's ratio of net debt to annualized second quarter adjusted funds flow was 1.0 (December 31, 2023 – 1.3). The Company believes that available credit and future anticipated adjusted funds flow will be sufficient to fund Tamarack's 2024 development capital programs, dividend payments and any share repurchases.

Indebtedness

(\$ thousands)	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable and accrued liabilities	\$ 150,205	\$ 201,531	\$ 193,033
Cross currency swap liability	2,589	5,172	5,976
Accounts receivable	(153,498)	(141,041)	(150,852)
Prepaid expenses and deposits	(9,818)	(18,024)	(9,278)
Working capital deficiency (surplus) ⁽¹⁾	(10,522)	47,638	38,879
Note receivable	-	-	(20,000)
Debt	866,647	909,758	1,329,581
Government loan and other	26,544	26,189	25,160
Net debt ⁽¹⁾	\$ 882,669	\$ 983,585	\$ 1,373,620
Current quarter adjusted funds flow ⁽¹⁾	\$ 225,554	\$ 194,771	\$ 157,253
Annualized factor	4	4	4
Annualized adjusted funds flow ⁽¹⁾	\$ 902,216	\$ 779,084	\$ 629,012
Net debt to annualized adjusted funds flow ⁽¹⁾	1.0 x	1.3 x	2.2 x

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Net debt decreased by \$100.9 million in the first six months of 2024, primarily due to adjusted funds flow in excess of the capital development program, dividends and share buybacks. As at June 30, 2024, Tamarack has achieved its second debt threshold within its return of capital framework potentially allowing for an expansion of the Company's share buyback program. Adjusted funds flow was primarily utilized to reduce net debt and continue to deliver shareholder returns.

Debt instruments

	Credit Facility	Senior Notes	Term Facility	DAP Notes	Total
Balance at December 31, 2023	\$ 479,168	\$ 290,423	\$ 83,500	\$ 56,667	\$ 909,758
Proceeds from debt instruments, net	91,517	-	-	-	91,517
Repayment of debt instruments, net	-	-	(83,500)	(56,667)	(140,167)
Unrealized foreign exchange loss	2,427	-	-	-	2,427
Amortization of deferred borrowing costs	1,690	1,422	-	-	3,112
Balance at June 30, 2024	\$ 574,802	\$ 291,845	\$ -	\$ -	\$ 866,647
Presented as:					
Current liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Non-current liabilities	\$ 574,802	\$ 291,845	\$ -	\$ -	\$ 866,647

As at June 30, 2024, Tamarack has access to a \$875.0 million three-year covenant-based revolving lending facility (the "Credit Facility"). During the second quarter of 2024, the Credit Facility was amended primarily to extend the maturity date by one year to April 30, 2027. The amended facility also included an uncommitted accordion feature that provides Tamarack with the ability to access an incremental \$125.0 million of secured debt, subject to certain conditions, including approvals from the lending syndicate. For the three months ended June 30, 2024, the effective interest rate on the Credit Facility draws was 7.99% (December 31, 2023 – 8.40%) and Tamarack had undrawn capacity of \$273.1 million.

The Credit Facility, together with a two-year secured amortizing term-loan (the “Term Facility”) collectively formed Tamarack’s syndicated, covenant-based credit facility (the “Syndicated Facility”). The Term Facility was a covenant-based, non-revolving lending arrangement with a maturity date of October 13, 2024 that was fully repaid in the first quarter of 2024.

The Company carries \$300.0 million of 7.25% interest-bearing senior unsecured notes maturing on May 10, 2027 (the “Senior Notes”). The Senior Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. The Company also issued \$300.0 million aggregate principal amount of 5.75% interest-bearing deferred acquisition payments (the “DAP Notes”) in connection with the Deltastream Acquisition in 2022. The DAP Notes were fully repaid on March 27, 2024.

Financial covenants on debt

Covenant	June 30, 2024	Covenant
Total Debt to EBITDA ratio	0.9:1.0	<3.5:1.0
Senior Debt to EBITDA ratio	0.6:1.0	<3.0:1.0
Interest Coverage ratio	11.7:1.0	>3.0:1.0

Commitments and contingencies

The following table summarizes the Company’s commitments as at June 30, 2024:

	2024	2025	2026	2027	2028+	Total
Credit Facility	\$ -	\$ -	\$ -	\$ 596,000	\$ -	\$ 596,000
Senior Notes	-	-	-	300,000	-	300,000
Accounts payable and accrued liabilities	150,205	-	-	-	-	150,205
Risk management contracts	3,353	3,096	-	-	-	6,449
Clearwater Infrastructure Partnership (CIP)	2,778	5,810	6,409	7,069	121,839	143,905
Other liabilities, excluding CIP	7,169	9,750	12,082	14,179	6,773	49,953
Financial liabilities on the balance sheet	163,505	18,656	18,491	917,248	128,612	1,246,512
Interest on debt and other liabilities	40,634	80,551	79,560	35,176	82,206	318,127
Take-or-pay commitments	15,806	33,235	30,227	29,805	79,961	189,034
Processing commitments	2,621	8,349	12,443	12,443	127,058	162,914
Total financial commitments	\$ 222,566	\$ 140,791	\$ 140,721	\$ 994,672	\$ 417,837	\$1,916,587

Contingencies

Tamarack is involved in legal claims against the Company that have arisen in the normal course of business. While the final outcomes of such claims cannot be predicted with certainty and could be material, Tamarack believes that the claims are without merit and the amounts are unsubstantiated. The Company also does not anticipate that any of these legal proceedings will have a material impact on Tamarack’s consolidated financial position or results of operations. Accordingly, no provision has been recorded in the Interim Financial Statements.

Share capital

The following table summarizes the Company’s outstanding common shares and stock-based compensation units issued and outstanding as at the dates listed:

(thousands)	July 30, 2024	June 30, 2024	December 31, 2023
Common shares outstanding	544,164	546,759	556,183
Common shares held in treasury	924	486	758
Total common shares	545,088	547,245	556,941
Equity-settled stock options	360	385	1,037
Equity-settled RSUs	5,180	5,377	3,587
Equity-settled PSUs	2,964	3,032	2,143
Cash-settled RIAs	1,014	1,014	810
Cash-settled PIAs	4,584	4,584	3,850

Pursuant to Tamarack’s stock-based compensation plans, the Company may grant up to an aggregate of 38.3 million equity compensation units to officers, employees, directors and consultants of the Company or its subsidiaries (“service providers”). During the six months ended June 30, 2024, the Company issued 7.0 million stock-based awards at a weighted average fair value of \$3.71 per share which was primarily based on the Company’s share price at the date of grant. Tamarack utilized acquired treasury shares to settle stock-based compensation units that were exercised in the first half of 2024 resulting in no dilution of Tamarack’s outstanding common shares.

Shareholder distributions

The following table summarizes the cumulative shareholder distributions from 2022 to the second quarter of 2024:

Year to Date	Cumulative dividend per common share	Total dividends distributed	Shares retired through NCIB (millions)	Total NCIB repurchases	Total shareholder distributions
December 31, 2022	\$ 0.1165	\$ 55,268	-	\$ -	\$ 55,268
December 31, 2023	\$ 0.1500	\$ 83,521	-	-	\$ 83,521
June 30, 2024	\$ 0.0750	\$ 41,104	9.7	\$ 33,735	\$ 74,839
Total		\$ 179,893	9.7	\$ 33,735	\$ 213,628

In January 2024, Tamarack received approval from the TSX to purchase up to 54.6 million common shares under the normal course issuer bid until January 18, 2025. During the six months ended June 30, 2024, the Company purchased and cancelled 9.7 million common shares at an average price of \$3.41 per common share, for a total repurchase cost of \$33.7 million. Subsequent to June 30, 2024, Tamarack declared dividends of \$0.0125 per share on July 15, 2024.

Selected quarterly information

	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022
Sales volumes								
Natural gas (mcf/d)	54,856	51,431	58,419	72,597	68,027	74,293	68,355	62,428
Oil and NGL (bbls/d)	55,000	53,450	55,144	56,497	55,400	55,556	52,951	33,071
Average boe/d (6:1)	64,143	62,022	64,881	68,597	66,738	67,938	64,344	43,476
Product prices								
Natural gas (\$/mcf)	1.51	2.93	2.82	2.60	2.39	3.50	4.89	6.27
Oil and NGL (\$/bbl)	90.70	78.04	79.58	94.07	76.24	71.03	80.38	95.93
Oil equivalent (\$/boe)	79.06	69.69	70.17	80.24	65.72	61.91	71.34	81.98
(000s, except per share amounts)								
Financial results								
Gross revenues	461,479	393,336	418,864	506,365	399,155	378,546	422,313	327,910
Cash provided by operating activities	225,370	165,201	215,981	199,756	156,265	59,624	227,889	229,927
Adjusted funds flow ⁽²⁾	225,554	181,556	194,771	255,199	157,253	157,271	196,746	177,834
Per share – basic ⁽²⁾	0.41	0.33	0.35	0.46	0.28	0.28	0.36	0.40
Per share – diluted ⁽²⁾	0.41	0.33	0.35	0.46	0.28	0.28	0.36	0.40
Net income (loss)	94,887	(32,744)	57,322	8,634	25,735	2,505	50,441	124,793
Per share – basic	0.17	(0.06)	0.10	0.02	0.05	0.00	0.09	0.28
Per share – diluted	0.17	(0.06)	0.10	0.02	0.05	0.00	0.09	0.28
Operating netback ⁽²⁾	291,386	237,101	251,172	326,408	222,712	208,955	250,087	207,575
Investment in oil and natural gas assets	86,341	128,221	127,704	122,759	117,831	148,162	125,276	98,451
Acquisitions ⁽¹⁾	–	–	1,612	800	12,148	2,939	1,447,973	1,365
Dispositions ⁽¹⁾	(80)	1,797	(100,038)	(38,987)	(2,271)	(180)	(21,873)	(59,498)
Total assets	4,028,689	4,116,037	4,208,128	4,443,837	4,559,903	4,593,760	4,619,701	2,839,146
Net debt ⁽²⁾	882,669	984,768	983,585	1,128,030	1,373,620	1,374,068	1,356,570	286,762
Debt	866,647	924,517	909,758	1,244,957	1,329,581	1,286,718	1,195,206	189,870
Dividends declared per share	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0350	0.0300
Decommissioning obligations	161,817	166,135	189,971	166,868	266,898	265,374	264,988	237,813

⁽¹⁾ Includes cash and non-cash consideration.

⁽²⁾ Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Significant factors and trends that have impacted the Company's results during the above quarterly periods include:

- Volatility in commodity prices and differentials and the resulting effect on revenue, cash provided by operating activities, adjusted funds flows and earnings.
- The volatility in decommissioning obligations due to fluctuations in discount rates, acquisitions and dispositions.
- The Company uses derivative contracts to reduce the financial impact of volatile commodity prices, foreign exchange and interest rates which can cause significant fluctuations in earnings due to unrealized gains and losses recognized on a quarterly basis.
- On July 21, 2022, Tamarack closed the disposition of non-Core Viking oil CGU assets for total consideration of \$57.9 million, including cash of \$37.9 million and a \$20.0 million 12.5% interest-bearing promissory note due on July 21, 2025. In the fourth quarter of 2023, the Company believed the collection of the promissory note was uncertain and a full provision was recorded.
- On October 13, 2022, Tamarack closed the acquisition of Deltastream. The assets include approximately 19,500 boe per day of oil weighted assets, along with adding 184 net sections in the Clearwater oil play of Alberta for a total purchase consideration of approximately \$1.4 billion.
- On July 31, 2023, the Company issued a GORR on select portions of its Clearwater and Charlie Lake oil properties and sold a working interest in the Company's Wembley gas plant to a third party for cash proceeds of \$39.5 million.

- On November 3, 2023, the Company sold its non-core Cardium assets for gross cash consideration of \$123.0 million and recorded a loss on the disposal of \$111.7 million. Net proceeds were \$98.9 million. The disposed assets included production of approximately 7,000 boe per day.
- On March 1, 2024, the Company sold certain non-core Redwater oil and natural gas assets for nominal consideration and recorded a loss of \$38.0 million. The disposition included a reduction of decommissioning obligations of \$14.2 million.

Advisories and guidance

Critical accounting policies, estimates and judgments

Tamarack utilized significant estimates, assumptions and judgments in order to apply the relevant accounting policies to the preparation of the Interim Financial Statements in accordance with International Accounting Standards 34 *Interim Financial Reporting*. A summary of this information can be found in Notes 2-4 of the annual financial statements. The key accounting policies of the Company that are subject to significant estimates, assumptions or judgments consist of oil and natural gas assets, impairment, financial instruments, provisions, income taxes and the basis of consolidation. There were no new or significant updates to the application of the Company's critical accounting policies, estimates, assumptions or judgments during the three and six months ended June 30, 2024.

Certain comparative figures in the Interim Financial Statements have been adjusted to conform with the current period presentation. On the statement of income and comprehensive income, product purchases and sales of purchased product were disaggregated from oil and natural gas sales. On the statement of cash flows, accrued current income tax expense, non-cash finance expense, net proceeds from other liabilities, and dividends have been reflected separately from changes in non-cash working capital. There were no changes to the consolidated operating results or financial position for the six months ended June 30, 2023 as a result of these presentation changes.

Non-GAAP financial measures and non-GAAP financial ratios

This document contains the terms "revenue, net of blending expense", "net production expenses", "operating netback", "operating field netback", "heavy oil differential including transportation expenses", "light oil differential including transportation expenses" and "free funds flow", which are non-GAAP financial measures, or ratios if calculated on a per boe or per share basis. These non-GAAP financial measures and ratios do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other issuers without taking into account the method by which the measures are prepared. These performance measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS and should be read in conjunction with the annual financial statements. Refer to the discussion of the Company's operating results and the "Liquidity and Capital Resources" section of this MD&A for further details regarding the calculation and measurement of these measures.

The non-GAAP financial ratios consisting of non-GAAP measures presented on a per share basis are determined by dividing the value of the financial measure by the weighted average common shares outstanding and diluted weighted average common shares outstanding during the period. These per share disclosures allow Tamarack and others to understand the value of selected financial information that is attributable to each common share holder. The non-GAAP financial ratios consisting of non-GAAP measures presented on a per boe basis are determined by dividing the value of the financial measure by the sales volumes in the period. These per boe disclosures allow Tamarack and others to assess the profitability of each barrel of oil equivalent produced, and also allows for a comparison of current period performance to historical periods, or to peer results, by isolating for the impact of differences in production volumes.

Revenue, net of blending expense

Blending expense for the three and six months ended June 30, 2024 was \$0.1 million and \$2.1 million, respectively, compared to \$0.4 million and \$2.2 million in the same periods in 2023. Blending expense consists of the cost of blending diluent that is purchased to reduce the viscosity of heavy oil transported through pipelines to meet minimum flow rate specifications. The blending expense represents the differential between the cost of purchasing and transporting the diluent and the realized price of the blended product sold. In this MD&A, blending expense is recognized as a reduction to heavy oil revenues, whereas blending expense is reported as an expense in the Interim Financial Statements. Revenue, net of blending expenses allows Tamarack and others to assess the performance of the Company's net realized price from marketing downstream sales by including the associated cost of diluent that was purchased and resold within the blended stream. Revenue, net of blending expenses is also presented on a per boe basis as a non-GAAP financial ratio.

Differential including transportation expenses

The calculation of the Company's heavy oil differential including transportation expenses and light oil differential including transportation expenses, is presented in the "Petroleum and natural gas sales" section of this MD&A and is determined by comparing the Company's realized price to the published benchmark price, plus transportation expenses. The Company and others utilize these performance measures to assess the value of net revenue received by Tamarack for each barrel sold relative to the published market price during that period. These performance measures are presented on a per boe basis as a non-GAAP financial ratio.

Net production expenses

Tamarack generates processing income from third parties that utilize excess capacity at Tamarack's facilities. In this MD&A, processing income is recognized as a reduction to production expenses, whereas processing income is reported as other income in the Interim Financial Statements. If Tamarack has excess capacity at one of its facilities, the Company will seek to process third-party volumes as a means to reduce the cost of operating those facilities. Accordingly, net production expenses allows Tamarack and others to assess the performance of its field and facility operating results by including the associated income generated from plant operations. Net production expenses are also presented on a per boe basis as a non-GAAP financial ratio.

Operating netback and operating field netback

The calculation of the Company's Operating Netback and Operating Field Netback is presented in the operating results section of this MD&A. Tamarack and others utilize the Operating Netback and Operating Field Netback measures to assess the operational performance of the Company's assets areas by isolating the impact of corporate and other overhead related expenditures. These metrics are also presented on a per boe basis as a non-GAAP financial ratio.

Free funds flow

Management utilizes free funds flow to determine how much cash was generated in excess of the Company's capital investment programs within the same period, which can be utilized to reduce debt, fund acquisitions or return capital to shareholders. Free funds flow is also presented on a per share basis as a non-GAAP financial ratio. The following table reconciles the free funds flow measure reported in this MD&A to the Interim Financial Statements:

	Three months ended		Six months ended	
June 30	2024	2023	2024	2023
Adjusted funds flow	\$ 225,554	\$ 157,253	\$ 407,110	\$ 314,524
Decommissioning obligation expenditures	(2,019)	(310)	(3,543)	(1,185)
Investments in oil and natural gas assets	(86,341)	(117,831)	(214,562)	(265,993)
Free funds flow	\$ 137,194	\$ 39,112	\$ 189,005	\$ 47,346

At June 30, 2024 free funds flow was adjusted to include the impact of decommissioning obligation expenditures in order to provide the Company and others a more complete measure of how much cash is available for debt reduction, share buybacks or acquisitions.

Capital Management Measures and Ratios

This document contains capital management measures of “adjusted funds flow”, “net debt”, “working capital deficiency (surplus)” and “net debt to annualized adjusted funds flow” which the Company utilizes to manage its capital. Refer to Note 13 of the Interim Financial Statements for further details. These capital management measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers without taking into account the method by which the measures are prepared. These performance measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS and should be read in conjunction with the annual financial statements. Refer to the discussion of the Company’s operating results and the “Liquidity and Capital Resources” section for further details regarding the calculation and measurement of these measures.

Adjusted funds flow

Adjusted funds flow is defined as cash provided by operating activities excluding decommissioning obligation expenditures, transaction costs and changes in non-cash working capital. Decommissioning obligation expenditures and transactions costs from business combinations both result from the Company’s capital budgeting and strategic planning processes which first considers available adjusted funds flow. Decommissioning obligation expenditures also vary from period to period depending on capital programs, government regulations and the maturity of the Company’s operating areas. By excluding changes in non-cash working capital from cash provided by operating activities, the funds flow measure provides a meaningful metric for Tamarack and others by establishing a clear link between the Company’s cash flows, income statement and operating netbacks by isolating the impact of changes in the timing between accrual and cash settlement dates which are generally within Management’s control. Tamarack uses adjusted funds flow to assess the Company’s financial performance and cash generated from operating activities. Adjusted funds flow per share and adjusted funds flow per boe are supplemental financial measures and are calculated by dividing the capital management measure by the Company’s weighted average basic and diluted shares outstanding, and total sales volumes during the period, respectively.

Net debt and working capital deficiency (surplus)

The calculation of the Company’s Net Debt and Working Capital Deficiency (surplus) is included in the section titled “Liquidity and Capital Resources”. Tamarack and others utilize net debt and working capital deficiency (surplus) to assess liquidity and balance sheet strength by aggregating the select financial assets and financial liabilities on the Company’s balance sheet.

Net debt to annualized adjusted funds flow

Net debt to annualized adjusted funds flow, is a capital management ratio and is calculated as net debt divided by the annualized adjusted funds flow for the most recently completed quarter. Tamarack and others utilize net debt to annualized adjusted funds flow to provide a snapshot of the overall financial health of the Company and assess the Company’s ability to fund capital investments, acquisitions, the servicing of debt costs, debt reduction, the ability to raise new debt, repurchase shares or make dividend payments. The calculation of the Company’s net debt to annualized adjusted funds flow is included in the section titled “Liquidity and Capital Resources”.

Supplemental financial measures

Per share disclosures

Tamarack’s supplementary financial measures on a per share basis consist of cash provided by operating activities per share and adjusted funds flow per share. These supplementary financial measures are determined dividing the value of the financial measure by the weighted average common shares outstanding and diluted weighted average common shares outstanding, as presented in the Interim Financial Statements. The per share disclosures allow Tamarack and others to understand the value of the selected financial information attributable to each common share holder. Free funds flow per share is a non-GAAP financial ratio as discussed above.

Per BOE disclosures

Tamarack’s supplementary financial measures on a per boe basis consist of average light oil realized sales price per bbl, average NGL realized sales price per bbl, average natural gas realized sales price per mcf, heavy oil differential including transportation expenses, light oil differential including transportation expenses, royalty expense per boe, transportation expenses per boe, carbon tax per boe, realized commodity hedging gain/loss per boe, G&A expense per boe, stock-based compensation expense per boe, cash interest expense per boe, finance expense per boe and DD&A per boe. The calculation of the heavy oil differential including transportation expenses and light oil differential including transportation expenses is included in the operating results section of this MD&A. Certain measures are presented on a per boe basis to allow Tamarack and others to assess the profitability of each barrel produced, and allows for a comparison of current period performance to historical periods, or to peer results, by isolating for the impact of differences in production volumes. Total revenue, net of blending expense per boe, net production expenses per boe, operating field netback per boe and operating netback per boe are non-GAAP financial ratios as discussed above.

Percentage of sales

Tamarack’s supplementary financial measures as percentage of revenue consists of the average royalty rate. The average royalty rate as a percentage of sales, net of blending expense, is used by Tamarack and others to understand the average effective amount of royalties owing for each dollar of sales that is generated.

Disclosure controls and internal controls over financial reporting

Part 1 of *National Instrument 52-109 - Certification of Disclosure in Issuer’s Annual and Interim Filings* defines disclosure controls and procedures (“DC&P”) as “controls and other procedures of an issuer that are designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the issuer’s management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure”.

The Company has designed DC&P to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company’s CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting (“ICFR”) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of annual financial statements for external purposes in accordance with IFRS Accounting Standards. The Company is required to disclose herein any change in the Company’s ICFR that occurred during the recent fiscal period that has materially affected, or is reasonably likely to materially affect, the Company’s internal controls over financial reporting.

No material changes to the Company’s DCP and its ICFR were identified during the period ended June 30, 2024 that have materially affected, or are reasonably likely to affect, the Company’s internal controls over financial reporting. As a result, the Company’s DCP and ICFR were effective as at June 30, 2024. Internal control

systems, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Volumetric reporting

For the purpose of reporting unit production and related units of measurement, natural gas volumes have been converted to a barrel of oil equivalent (boe) using six thousand cubic feet equal to one barrel. A boe conversion ratio of 6:1 is based on an energy equivalency conversion at the burner tip but does not necessarily represent a value equivalency at the wellhead where production is actually measured and reported. This conversion complies with the Canadian Securities Administrators' National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), however, a Boe unit of measurement could be misleading, particularly if used in isolation.

Climate change

The Company continues to assess the impact of global demand for carbon-based energy and advancement of alternative energy sources. Emissions, carbon and other regulations impacting climate related matters are constantly evolving. With respect to ESG and climate reporting, the International Sustainability Standards Board ("ISSB") was created on November 3, 2021 to develop consistent, comparable and reliable sustainability disclosure standards. On June 26, 2023, the ISSB issued IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after January 1, 2024. The standards provide for transitional relief allowing an issuer to limit its disclosure to climate-related risks and opportunities in the first year.

The Canadian Securities Administrators ("CSA") are responsible for determining the reporting requirements for public companies in Canada and decisions related to the adoption of the sustainability disclosure standards, including the effective annual reporting dates. The CSA issued proposed National Instrument ("NI 51-107 – Disclosure of Climate-related Matters") in October 2021. The CSA has indicated it will consider the ISSB sustainability standards and developments in the United States in its decisions related to developing climate-related disclosure requirements for reporting issuers in Canada. The CSA will involve the Canadian Sustainability Standards Board ("CSSB") for their combined review of the ISSB issued sustainability standards for their suitability for adoption in Canada. Until such time as the CSA and CSSB make decisions on sustainability standard adoption in Canada, there is no requirement for public companies in Canada to adopt the sustainability standards. The Company is actively evaluating the potential effects of the sustainability standards.

Risks

Tamarack faces business risks, both known and unknown, with respect to its oil and gas exploration, development, and production activities that could cause actual results or events to differ materially from those forecasts. Most of these risks (financial, operational or regulatory) are not within the Company's control. While the following sections discuss some of these risks, they should not be construed as exhaustive. Tamarack is directly impacted by these risks:

- Volatility in commodity and petroleum product prices
- Inflation risk
- Environmental and climate change risk
- Financial risks
- Operational risks
- Regulatory risks

For additional information on the risks relating to Tamarack's business, see "Risk Factors" in Tamarack's Annual Information Form and "Business Risks" in Tamarack's Annual MD&A for the year ended December 31, 2023.

Forward-looking statements

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe", "strive" and similar expressions or the negative of such terms or other comparable terminology. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company;
- the Company's commitment to maintaining financial flexibility and liquidity;
- The Company's plans to allocate 60% of free funds flow to shareholder distributions and 40% to net debt reduction;
- the Company's business strategy, objectives, strength and focus, including with respect to acquisitions;
- the impacts on the Company of the military conflict between Russia and Ukraine as well as the war between Israel and Hamas;
- the Company's plans to continue developing two core projects in Northern Alberta – a Clearwater heavy oil position at Nipisi, Marten Hills and South Clearwater and a Charlie Lake light oil position at Valhalla, Wembley, and Pipestone;
- the Company's continued consideration of the impact of climate change and possible upcoming related financial and operational challenges and implications with respect to the future of the Company;
- the Company's continued consideration of the potential impacts of the evolving global demand for carbon-based energy and global advancement of alternative energy sources;
- expectations relating to future realized commodity prices, volatile commodity prices, royalty rates and oil price differentials and the effects thereof, including with respect to revenue, earnings and stability to oil pricing;
- the Company's financial and physical hedging program, including the use of financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates, and interest rates, and the effects thereof on cash flow risk and commodity pricing upside;
- anticipated benefits of Clearwater formations including its enhanced recovery potential;
- anticipated benefits of the Charlie Lake acreage;
- purchases under the Company's normal course issuer bid including that the Company will reacquire up to 54.6 million common shares by January of 2025;
- the Company's plans in respect of returns of capital, including dividend and enhanced return programs;
- the Company's expectations surrounding its 2024 capital program and funding thereof, including in relation to the ability to satisfy its 2024 development capital program, dividend payments and any share repurchases;
- the Company's intent to direct the majority of the remaining free cash flow to net debt reduction and shareholder distributions;
- expectations surrounding the Credit Facility as amended and the terms thereof, including the extended maturity date and ability to access an incremental \$125.0 million of secured debt subject to certain conditions;
- the Company's ability to maintain annual production guidance;
- financial covenants applicable to the Syndicated Facility;
- Tamarack's 2024 production guidance and ongoing assessments in respect of the same;

- commitments and obligations of the Company related to the Clearwater Infrastructure Partnership and pursuant to the definitive agreements entered into with 12 First Nation and Métis communities;
- expectations surrounding the Company's 2024 capital guidance and outlook, including that capital guidance balances maximizing free funds flow generation with a significant amount being directly towards shareholder returns;
- the Company's expectation that net production expenses for the full year will be within the guidance range of \$8.75-\$9.25;
- the Company's continued approach to capital allocation;
- the Company's ability to meet its obligations and commitments under the Senior Notes;
- the Company's head office sublease, as amended or extended, and the terms thereof;
- the Company's 2024 outlook and planned 2024 capital projects (including infrastructure expansions in the Clearwater area to support ongoing production growth, emissions reduction initiatives and the completion of certain strategic midstream facilities associated with the Clearwater Infrastructure Partnership);
- contractual obligations and commitments;
- estimates used to calculate decommissioning obligations and depletion of PP&E;
- expectations surrounding pre-tax net present value of Tamarack's 2P reserves;
- Tamarack's 2024 base capital investment guidance of \$390 and \$440 million and anticipated use thereof, being primarily focused on Clearwater and Charlie Lake drilling and development activities;
- Tamarack's plans to invest in secondary recovery expansion of Clearwater waterflood projects at Nipisi and Marten Hills;
- expectations surrounding Tamarack's gas conservation initiatives;
- the Company's risk management activities (including plans to continue actively managing capital and liquidity risk through continuous monitoring of asset performance, forecasting anticipated future cash flows in conjunction with the design of the annual capital investment programs, maintaining available credit under bank facilities, staggering debt maturity dates, hedging a portion of the Company's production, judiciously assessing new capital investment, acquisition or divestment opportunities and the pursuit of new liquidity, if necessary);
- the Company's plans in respect to its employees including for its employees to address the continued development of new or established reservoirs on a go-forward basis using the same procedure as is used to address exploration risk and the effects thereof on mitigation of operation risk;
- expectations surrounding the Company's major infrastructure projects and anticipated benefits thereof, including with respect to performance of its Clearwater and Charlie Lake drilling programs;
- expectations surrounding management's continued flexibility in respect of its second half capital program (including in relation to fluctuating commodity prices and management's monitoring thereof);
- expectations surrounding identified changes to the Company's DC&P and its ICFR (or lack thereof) and its affect on the Company's internal controls over financial reporting on a go-forward basis (including the lack thereof);
- expectations regarding the merits and the outcome of ongoing litigation; and
- the Company's expectations regarding inflation and interest rates and the ability to manage such pressures.

With respect to the forward-looking statements contained in this MD&A, Tamarack has made assumptions regarding, among other things:

- future commodity prices, price differentials and the actual prices received for the Company's products;
- expected net production expenses and transportation expenses;
- estimated proved plus probable oil and natural gas reserves;
- the effects of heavy volume apportionment and fluctuating diluent costs on the heavy oil market in Alberta;
- the ability to obtain equipment and services in the field in a timely and efficient manner;
- the ability to add production and reserves through acquisition and/or drilling at competitive prices;
- the timing of anticipated future production additions from the Company's properties and acquisitions;
- the realization of anticipated benefits of acquisitions, including the acquisitions and the related drilling programs;
- the ability to explore and realize benefits from exposure to diversified gas markets;
- drilling results, including field production rates and decline rates;
- the performance of the waterflood projects;
- the continued application of horizontal drilling and fracturing techniques and pad drilling;
- the continued availability of capital and skilled personnel;
- the ability to obtain financing on acceptable terms;
- the accuracy of Tamarack's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation;
- the impact of increasing competition;
- the ability of the Company to secure adequate product transportation;
- the ability to enter into future commodity derivative contracts on acceptable terms;
- the continuation of the current tax, royalty and regulatory regime;
- the volatility in commodity prices and oil price differentials and the resulting effect on Tamarack's revenue, cash provided by operating activities, adjusted funds flows and earnings;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand including in respect of recent cuts to the group's production quotas;
- the ability to adjust capital spending relative to commodity prices and use financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates and interest rates;
- Tamarack's ability to maintain financial flexibility; and
- the impact of inflation on costs and interest rates.

Without limitations of the foregoing, future dividend payments, if any, and the level thereof, are uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, commodity prices, free funds flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tamarack to pay dividends, and the frequency thereof, will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include:

- the material uncertainties and risks described under the heading "Advisories and guidance";
- the material assumptions and observations described under the headings "About Tamarack Valley Energy Ltd.", "H1 2024 in review", "Q2 2024 operational and financial highlights", "Highlights for the three and six months ended June 30, 2024", "Annual guidance", "Production", "Petroleum and natural gas sales", "Risk management", "Royalties", "Net production expenses", "Transportation expenses", "Operating netback", "General and administrative ("G&A") expenses", "Stock-based compensation expense", "Finance expense", "Income taxes", "Depletion, depreciation and amortization ("DD&A")", "Dispositions", "Adjusted funds flow and net income", "Investment in oil and natural gas assets", "Liquidity and capital resources" and "Selected quarterly information";
- the risks relating to inclement and severe weather events and natural disasters, including fire, drought and flooding and corresponding effects, including in respect to safety, asset integrity, shutting in production, impact on production, maintaining 2024 guidance and resumption of operations;

- the risks with respect to unplanned third-party pipeline or natural gas processing facility outages;
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production and including continued weakness and volatility in commodity prices and petroleum product prices;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- Russia's military actions in Ukraine;
- the Israel-Hamas conflict;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved plus probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- increased borrowing costs due to increased lending rates from prime rate increase, negative changes to financial metrics evaluated under the Credit Facility and Senior Notes sustainability performance targets;
- uncertainty regarding the full impact of pandemics on global economies and oil demand and commodity prices;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation costs and future development costs;
- the ability to access sufficient capital from internal and external sources;
- changes in tax, royalty and environmental legislation and any government policy, including Bill C-59;
- any legal proceedings, the results thereof and the impact on the Company's business, financial condition and results of operations;
- third party inability to manage inflationary cost pressures;
- changes in the political landscape, both domestically and abroad; and
- increased operating and capital costs due to inflationary pressures (actual and anticipated).

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, increased supply resulting from evolving exploitation methods, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also, to be considered are increased levels of political uncertainty and possible changes to existing international trading agreements and relationships. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Additional information on these and other factors that could affect the business, operations or financial results of Tamarack are included in reports on file with applicable securities regulatory authorities, including but not limited to Tamarack's Annual Information Form for the year ended December 31, 2023, which may be accessed on Tamarack's SEDAR+ profile www.sedarplus.com or on the Company's website at www.tamarackvalley.ca.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tamarack's 2024 development capital program and plans regarding payment of 2024 dividends and any share repurchases by using available increased credit facilities combined with anticipated adjusted funds flow, commodity prices, Tamarack's 2024 capital guidance and components thereof including prospective results of operations and production, planned investment in oil and natural gas assets; expected capital expenditures (including in respect of Tamarack's capital E&D budget), 2024 annual guidance and the components thereof including capital investments and annual average production, average oil & NGL weighting, and expenses (including expected royalty rates, net production expenses, transportation expenses, leasing expenditures, carbon tax, G&A expenses, interest and income taxes), payout of wells, adjusted funds flow, net debt (and the reduction thereof), capital requirements, return of capital, balance sheet strength, the Company's 2024 budget and associated targets, debt repayments, Tamarack's 2024 base capital investment program of \$390 to \$440 million, targeting average production range of 61,000-63,000 boe per day in 2024 at Clearwater and Charlie Lake development areas, expected commitments and contingencies of the Company over the upcoming years and the components thereof, total returns and components thereof, decline rates, netback enhancement from blending, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumptions outlined under "Non-GAAP Financial Measures and Non-GAAP Financial Ratios" and "Capital Management Measures and Ratios", and should not be used for purposes other than those for which it is disclosed herein. Tamarack and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Tamarack's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

The forward-looking statements and FOFI contained in this MD&A, as defined by Canadian securities legislation, are approved by management as of the date hereof and Tamarack undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.

Note regarding product types

This MD&A includes references to total average daily production, crude oil production, NGLs production and natural gas production. NGLs refers to all natural gas liquids, consisting of condensate, pentanes plus, butane, propane and ethane. Natural gas refers to conventional natural gas and shale gas combined. Crude oil refers to light, medium, and heavy crude oil combined.

Abbreviations

AECO	Alberta Energy Company benchmark for natural gas
Bbl(s)	barrel(s)
bbls/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CGU	cash-generating unit
EOR	enhanced oil recovery
ESG	Environment, sustainability and governance
GHG	Greenhouse gas emissions
GJ	gigajoule
GJ/d	gigajoule per day
IFRS	IFRS Accounting Standards
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmbtu	one million British thermal units
mmbtu/d	one million British thermal units per day
MSW	mixed sweet blend, the benchmark for conventionally produced light sweet crude oil in Western Canada
NGL	natural gas liquids
nm	not meaningful information
NYMEX	New York Mercantile Exchange
PP&E	Property, plant and equipment
TP	total proved reserves
TPP	total proved plus probable reserves
WCS	Western Canadian Select, the benchmark for both conventionally produced and oilsands produced heavy sour crude oil in Western Canada
WTI	West Texas Intermediate, the reference price paid for crude oil of standard grade in US dollars at Cushing, Oklahoma
