

TSX: TVE

Tamarack Valley Energy Ltd. Announces Closing of Previously Announced Deltastream Energy Corporation Acquisition and Leadership Changes

Calgary, Alberta – October 13, 2022 – Tamarack Valley Energy Ltd. (“**Tamarack**” or the “**Company**”) (TSX: TVE) is pleased to announce that it has successfully closed the previously announced acquisition (the “**Acquisition**”) of Deltastream Energy Corporation (“**Deltastream**”), a privately held pure-play Clearwater oil producer. Tamarack acquired all of the issued and outstanding common shares of Deltastream for total consideration of \$1.425 billion comprised of 80 million common shares of Tamarack, \$300 million of deferred acquisition payment notes and \$825 million in cash.

The Acquisition further solidifies Tamarack as the largest producer in the Clearwater oil fairway. The acquired assets are forecasted to produce an average of ~23,000 boe/d⁽¹⁾ and deliver ~\$500 million of EBITDA^{(2),(3)} in 2023. Current production on the acquired assets is ~19,500 boe/d⁽⁴⁾. Tamarack expects to realize synergies in gas conservation and infrastructure projects, lowering the GHG intensity of the Tamarack Clearwater asset portfolio.

As previously announced, and in conjunction with the closing of the Acquisition, Tamarack has increased its base monthly dividend by 25% to \$0.0125 per month beginning with the November declaration with an expected payment date of December 15, 2022. The increase in Tamarack’s monthly cash dividend reflects the improvement in sustainable free funds flow⁽²⁾ per share the Company has generated both organically and through the strategic Clearwater acquisitions across 2022 which drive accretion at flat pricing of US\$55/bbl WTI and \$2.50/GJ AECO.

Tamarack is also pleased to announce the close of its three-year covenant-based sustainability-linked lending facility (“SLL Facility”), which is transformational to the Company’s debt capital structure. The SLL Facility increased to \$700 million and is paired with a \$260 million two-year secured amortizing term-loan from a syndicate of lenders.

Executive and Board of Directors Changes

Effective October 13, 2022, Mr. Ian Currie has resigned as a member of the Board of Directors. Mr. Currie has served on the Board of Directors since Tamarack’s acquisition of Spur Resources Ltd. in 2017 and was a critical technical resource in the transformation of Tamarack’s business processes and strategy.

As a result of this change, Tamarack is pleased to announce the appointment of Ms. Kathleen Hogenson to the Board of Directors. Ms. Hogenson is President & CEO of Zone Oil & Gas, LCC and currently serves as various committee chairs on the boards of Verisk Analytics and First Quantum Minerals Ltd. Kathleen has a strong reservoir engineering background and contributes strategic expertise to expanding exploration and production operations. She holds a Bachelor of Science in Chemical Engineering from The Ohio State University and is an active volunteer and mentors emerging female leaders in the energy industry.

Tamarack is also pleased to announce the appointment of Ms. Lynne Chrumka as Vice President, Exploration. Ms. Chrumka brings more than 25 years of industry experience, specializing in exploration across many plays in the Western Canadian Sedimentary Basin. Most recently, she held the role of Vice President, Geosciences at ARC Resources and Seven Generations Energy.

“On behalf of the Board of Directors, executive management team and all of our staff, I would like to extend heartfelt appreciation to Ian for his years of service. His contributions and technical expertise have helped shape Tamarack’s strategic direction. He will be missed by the Board and the executive team” said Brian Schmidt, President and Chief Executive Officer. “We look forward to working alongside him in the Clearwater play. I would also like to welcome Kathleen and Lynne to Tamarack. We are excited to add these dynamic individuals to our leadership team.”

About Tamarack Valley Energy Ltd.

Tamarack is an oil and gas exploration and production company committed to creating long-term value for its shareholders through sustainable free funds flow generation, financial stability and the return of capital. The Company has an extensive inventory of low-risk, oil development drilling locations focused primarily on Charlie Lake, Clearwater and EOR plays in Alberta. Operating as a responsible corporate citizen is a key focus to ensure we deliver on our environmental, social and governance (ESG) commitments and goals. For more information, please visit the Company's website at www.tamarackvalley.ca.

Abbreviations

bbls/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
WCS	Western Canadian Select, the benchmark for conventional heavy and oil sands blended crude oil in western Canada
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade

READER ADVISORIES

Notes to Press Release

(1) Comprised of approximately 21,500 bbls/d heavy oil, 125 bbls/d NGL and 8,250 mcf/d natural gas

(2) See "*Specified Financial Measures*"

(3) EBITDA based on pricing assumptions of: \$82.56 WTI (USD/bbl); \$17.50 WCS differential (USD/bbl); and \$1.3100 CAD/USD FX.

(4) Comprised of approximately 18,500 bbls/d heavy oil, 100 bbls/d NGL and 5,400 mcf/d natural gas

Forward Looking Information

This press release contains certain forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "guidance", "outlook", "anticipate", "target", "plan", "continue", "intend", "consider", "estimate", "expect", "may", "will", "should", "could" or similar words suggesting future outcomes. More particularly, this press release contains statements concerning: Tamarack's business strategy, objectives, strength and focus; the anticipated benefits of the Acquisition, including the impact of the Acquisition on the Company's operations, opportunities, financial condition, access to capital and overall strategy; future intentions with respect to return of capital; expectations with respect to oil and natural gas production in 2023 in respect of the assets (the "Assets") acquired pursuant to the Acquisition; development and drilling plans for the Assets; and Tamarack's commitment to ESG principles and the impact of the Acquisition thereon, including the initiation of a Southern Clearwater gas conservation project. Future dividend payments, if any, and the level thereof, is 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, 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 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.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack, including relating to: the business plan of Tamarack pro forma the completion of the Acquisition; the timing of and success of future drilling, development and completion activities; the geological characteristics of Tamarack's properties; the characteristics of the Assets; the successful integration of the Assets into Tamarack's operations; prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products; the availability and performance of drilling rigs, facilities, pipelines and other oilfield services; the timing of past operations and activities in the planned areas of focus; the drilling, completion and tie-in of wells being completed as planned; the performance of new and existing wells; the application of existing drilling and fracturing techniques; prevailing weather and break-up conditions; royalty regimes and exchange rates; impact of inflation on costs; the application of regulatory and licensing requirements; the continued availability of capital and skilled personnel; the ability to maintain or grow the banking facilities; the accuracy of Tamarack's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation; and Tamarack's ability to execute its plans and strategies.

Although management considers these assumptions to be reasonable based on information currently available, 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: unforeseen difficulties in integrating the Assets into Tamarack's operations; incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition); the risk that future dividend payments thereunder are reduced, suspended or cancelled; risks associated with the oil and gas industry in general (e.g. operational risks in development, exploration and production; and delays or changes in plans with respect to exploration or development projects or capital expenditures); commodity prices; increased operating and capital costs due to inflationary pressures; the uncertainty of estimates and projections relating to production, cash generation, costs and expenses; health, safety, litigation and environmental risks; access to capital; the COVID-19 pandemic; and Russia's military actions in Ukraine. Due to the nature of the oil and natural gas industry, drilling plans and operational activities may be delayed or modified to react to market conditions, results of past operations, regulatory approvals or availability of services causing results to be delayed. Please refer to the annual information form for the year ended December 31, 2021, the management's discussion and analysis for the three and six months ended June 30, 2022 (the "MD&A") and other continuous disclosure documents for additional risk factors relating to Tamarack, which can be accessed either on Tamarack's website at www.tamarackvalley.ca or under the Company's profile on www.sedar.com. The forward-looking statements contained in this press release are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tamarack's prospective results of operations and production, 2023E EBITDA, free funds flow and components thereof, including pro forma the Acquisition, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Tamarack's future business operations. Tamarack and its management believe that FOFI 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, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Tamarack disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result

of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

Specified Financial Measures

This press release includes various specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios and capital management measures as further described herein. These measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable with the calculation of similar measures by other companies.

"Adjusted funds flow (capital management measure)" is calculated by taking cash-flow from operating activities, on a periodic basis, deducting current income taxes and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs since Tamarack believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Tamarack uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating loss per share.

"EBITDA (non-IFRS financial measure)" is calculated as consolidated net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortization, adjusted for certain non-cash, extraordinary and non-recurring items primarily relating to unrealized gains and losses on financial instruments and impairment losses. The Company considers this metric as key measures that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. The most directly comparable IFRS measure to EBITDA is cash provided by operating activities.

"Free funds flow (capital management measure)" (previously referred to as "free adjusted funds flow") is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions. Management believes that free funds flow provides a useful measure to determine Tamarack's ability to improve returns and to manage the long-term value of the business. Free funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating loss per share.

Please refer to the MD&A for additional information relating to specified financial measures including non-IFRS financial measures, non-IFRS financial ratios and capital management measures. The MD&A can be accessed either on Tamarack's website at www.tamarackvalley.ca or under the Company's profile on www.sedar.com.

For additional information, please contact:

Brian Schmidt
President & CEO
Tamarack Valley Energy Ltd.
Phone: 403.263.4440
www.tamarackvalley.ca

Steve Buytels
VP Finance & CFO
Tamarack Valley Energy Ltd.
Phone: 403.263.4440
www.tamarackvalley.ca