TSX: TVE

Tamarack Valley Energy Announces First Quarter 2022 Financial Results, Operational Update and Updated 2022 Guidance

Calgary, Alberta – May 3, 2022 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") (TSX: TVE) is pleased to announce its financial and operating results for the three months ended March 31, 2022. Selected financial and operating information is outlined below and should be read with Tamarack's consolidated financial statements and related management's discussion and analysis (MD&A) for the three months ended March 31, 2022, which are available on SEDAR at www.sedar.com and on Tamarack's website at www.tamarackvalley.ca.

Brian Schmidt, President and CEO of Tamarack commented: "We successfully executed on our first quarter capital program, closed and integrated the Crestwynd Exploration acquisition and grew our Clearwater oil footprint through the execution of strategic agreements with the Peavine Metis Settlement and crown land sales. The Company delivered on its return of capital framework with the inaugural payment of our base dividend and look forward to further enhancing shareholder returns through our focus on generating sustainable free funds flow(1). We have provided updated 2022 guidance, inclusive of the previously announced Rolling Hills Energy acquisition that is expected to close in June, which reflects our updated greater Peavine Clearwater appraisal program that is set to commence in the second half of the year."

Q1 2022 Financial and Operating Highlights

- Achieved quarterly production volumes of 41,335 boe/d(2) in Q1/22, representing an 73% increase compared to the same period in 2021.
- Generated adjusted funds flow(1) of $166.6 million in Q1/22 ($0.40/share basic and $0.39/share diluted) compared to $42.0 million in the same period in 2021 ($0.16/share basic and diluted).
- Generated free funds flow(1), excluding acquisition expenditures, of $41.2 million.
- Generated net income of $26.5 million ($0.06/share basic and diluted) during the quarter as compared to a net loss of $0.2 million ($0.00/share basic and diluted) in the same period of 2021.
- Dividends declared of $10.6 million during the quarter ($0.0083/share per month), delivering on the Company's return of capital framework.
- Invested $106.8 million in exploration and development (E&D) capital expenditures, excluding acquisition expenditures, and $18.6 million on undeveloped land in the Clearwater and Charlie Lake areas during Q1/22.This contributed to the drilling of 18 (17.5 net) Clearwater oil wells, eight (8.0 net) Viking oil wells, seven (7.0 net) Charlie Lake oil wells and five (5.0 net) water source and injector wells.
- Exited the quarter with $556.4 million of net debt(1)and net debt to Q1/22 annualized adjusted funds flow(1) of 0.8x.
- Issued $200.0 million aggregate principal amount of 7.25% senior unsecured sustainability-linked notes due May 10, 2027.
- Successfully closed the acquisition of Crestwynd Exploration Ltd. during the quarter, further consolidating the Company's position in the Southern Clearwater Fairway.

Financial & Operating Results

	Three months ended March 31,		
	2022	2021	% change
($ thousands, except per share)			
Total oil, natural gas and processing revenue	**298,895**	93,434	220
Cash flow from operating activities	**132,853**	38,436	246
Per share – basic	**$ 0.32**	$ 0.14	129
Per share – diluted	**$ 0.31**	$ 0.14	121
Adjusted funds flow[1]	**166,581**	41,952	297
Per share – basic[1]	**$ 0.40**	$ 0.16	150
Per share – diluted[1]	**$ 0.39**	$ 0.16	144
Net income (loss)	**26,457**	(166)	16,038
Per share – basic	**$ 0.06**	(0.00)	-
Per share – diluted	**$ 0.06**	(0.00)	-
Net debt[1]	**(556,374)**	(286,175)	94
Capital expenditures[3]	**125,367**	48,704	157
Weighted average shares outstanding *(thousands)*			
Basic	**419,251**	265,415	58
Diluted	**427,546**	265,415	61
Share Trading *(thousands, except share price)*			
High	**$ 6.09**	$ 2.46	148
Low	**$ 3.90**	$ 1.25	212
Trading volume (thousands)	**233,689**	181,132	29
Average daily production			
Light oil (bbls/d)	**17,868**	10,120	77
Heavy oil (bbls/d)	**7,522**	2,654	183
NGL (bbls/d)	**4,113**	2,420	70
Natural gas (mcf/d)	**70,989**	52,466	35
Total (boe/d)	**41,335**	23,938	73
Average sale prices			
Light oil ($/bbl)	**110.07**	64.01	72
Heavy oil ($/bbl)	**94.43**	48.00	97
NGL ($/bbl)	**56.21**	37.17	51
Natural gas ($/mcf)	**5.70**	3.15	81
Total ($/boe)	**80.17**	43.03	86
Operating netback[1] ($/Boe)			
Average realized sales	**80.17**	43.03	86
Royalty expenses	**(15.72)**	(5.37)	193
Net production and transportation expenses	**(12.07)**	(11.17)	8
Operating field netback[1] ($/Boe)	**52.38**	26.49	98
Realized commodity hedging loss	**(4.00)**	(3.81)	5
Operating netback[1] ($/Boe)	**48.38**	22.68	113
Adjusted funds flow[1] ($/Boe)	**44.78**	19.47	130

Return of Capital

Base Dividend

In accordance with the Company's dividend program, monthly dividends of $0.0083/share were declared January – April 2022. Effective the June 2022 dividend declaration, the Company expects to increase the monthly dividend to $0.0100/share per month or ~20% (as previously announced on April 21st) in conjunction with the closing of the acquisition of Rolling Hills Energy Ltd. The base dividend increase has been driven by improved sustainable free funds flow[(1)] along with the Crestwynd Exploration Ltd. and Rolling Hills acquisitions which are accretive at flat pricing of US$55/bbl WTI and $2.50/GJ AECO.

Enhanced Return

The Company remains committed to balancing long-term sustainable free funds flow[(1)] growth with returning capital to shareholders. Based on the forecasted commodity price outlook, Tamarack anticipates the declaration of an enhanced return, through special dividend and/or share buybacks, in Q3 2022 for free funds flow[(1)] from Q2 2022.

The incremental net debt associated with the current 2022 tax expense, which has not yet impacted adjusted funds flow[(1)], along with the cash considerations for the Rolling Hills Acquisition and Q1 2022 land purchases, will be adjusted accordingly when considering the enhanced return debt target.

2022 Capital Budget and Guidance Update

To reflect the pro-forma Rolling Hills acquisition, announced on April 21, 2022, as well as changes in the commodity price environment, Tamarack has updated its 2022 corporate guidance. The Company remains focused on capital discipline and growing sustainable free funds flow[(1)] and will proactively adapt our spending plans within the context of the market and inflationary pressures to maximize returns

Capital Budget

Total capital expenditures for the year have been updated to a range of $280 to $300 million. The revised capital guidance is inclusive of the future E&D capital associated with the previously announced Rolling Hills acquisition, along with capital directed towards the Company's Clearwater appraisal program, and is inclusive of forecasted inflationary pressures with respect to the higher service and material costs and supply chain constraints that the industry is facing at this time.

Production

Production guidance has been increased to a range of 46,200 to 47,200 boe/d to reflect the Rolling Hills acquisition that is expected to close on or about June 10, 2022. Production volumes from the Rolling Hills acquisition are expected to average ~2,100 bbl/d of heavy oil from close through to year end.

	Original 2022 Guidance[(4)]	Revised 2022 Guidance[(5)]
Capital Budget (including ARO)[(6)] ($mm)	$250–$270	**$280–$300**
Annual Average Production[(7)] (boe/d)	45,000–46,000	**46,200–47,200**
Expenses:		
Royalty Rate (%)	16–17%	**19–21%**
Operating ($/boe)	$8.50–$8.70	**$9.45–$9.65**
Transportation ($/boe)	$2.00–$2.10	**$2.35–$2.45**
General and Administrative ($/boe)[(8)]	$1.30–$1.35	**$1.35–$1.45**
Interest[(9)] ($/boe)	$1.60–$1.65	**$1.65–$1.70**
Taxes ($/boe)	$1.60–$1.70	**$4.75–$4.80**
Leasing Expenditures ($mm)	$3.7	**$3.7**
Asset Retirement Obligations ($mm)	$7.5	**$7.5**
Revenue:		
Average Oil & Natural Gas Liquids Weighting	74%	**75%**
Light Oil Wellhead Differential	$3.00-$3.50	**$3.50-$4.00**
Heavy Oil Wellhead Differential	$4.50-$5.00	**$4.50-$5.00**
Price Assumptions:		
WTI (US$/bbl)	$70.00	**$90.00**
AECO (CAD$/GJ)	$3.00	**$4.70**

Operations Update

Clearwater

Peavine Metis Settlement Strategic Land Agreement(s) – Tamarack has expanded its strategic partnership with the Peavine Metis Settlement in the High Prairie area to include an additional 15 sections of land prospective for the Clearwater formation. This addition results in a total of 44.5 sections included in the strategic partnership in proximity to competitor activity with strong well results to date. Tamarack plans to begin its appraisal program in the second half of 2022.

Greater Peavine Land Acquisition – Tamarack has accumulated 26 net sections of land in the greater Peavine Clearwater trend prospective for both Clearwater and Bluesky oil. The Company plans to drill on these lands in the second half of the year through its outlined Clearwater de-risk/appraisal capital program.

West Marten Hills Exploration – The successful West Marten Hills 02/8-33 appraisal well, which exhibited IP30 rates of ~150 bopd, has been shut-in due to road access; however, planning is underway to upgrade the road into the area, enabling further future full season development of the lands. The success of the 02/8-33 well has de-risked 6 sections of land in the West Marten area. The Company plans to drill an additional eight wells at West Marten Hills in 2022.

West Nipisi – Tamarack's strategy at West Nipisi is focused on waterflood development moving forward. The Company has rig released five of six wells planned on the 15-20 pad, all of which are being developed under Tamarack's Nipisi Clearwater waterflood configuration. All six wells are expected to be on production by the end of May, with the two of the six wells that are currently producing oil in line with expectations at ~200 bopd. Surface facilities and downhole work is completed on the three planned injection wells and injection is expected to commence in May. Further to this, Tamarack plans to drill an appraisal well in H2 2022 testing the northwest Nipisi Clearwater sands based on encouraging offsetting competitor well results.

Southern Clearwater – Tamarack continues to actively develop its Clearwater assets in the Jarvie, Perryvale and Meanook areas with four rigs currently operating. Nineteen wells have been rig released to date in 2022, with 13 wells currently onstream. The wells currently producing have averaged peak rates of greater than 150 bopd with additional optimization upside as production is moved to permanent facilities. The Company plans to drill 45 gross (45.0 net) wells in the area in 2022 and execute on operational synergies on recently acquired production.

Charlie Lake

In the Charlie Lake, Tamarack has brought nine of 16 planned wells onstream in 2022. Results continue to exceed expectations. Most notably, the 100/05-30-073-07W6 well achieved an IP60 of 775 bopd (1260 boe/d[(10)]) and the Company's first Upper Charlie Lake well exceeded expectations adding further inventory upside in the Charlie Lake. The most recent three Pipestone wells to come onstream successfully piloted a pumpjack artificial lift to reduce capital and are exceeding expectations with an average test rate of 560 bopd.

Veteran/Eyehill Waterfloods

Tamarack has drilled 13 wells through its Q1 program targeting the Viking (6.0 net) and Sparky (7.0 net) at its Veteran and Eyehill properties. Tamarack continues to add injection to its Veteran waterflood with the addition of one injection well and six injector conversions in Q1.

Environmental, Social and Governance

Phase two of the Nipisi gas conservation project was completed ahead of schedule in the first quarter. The project is currently conserving 0.5 mmcf/d. Conserved volumes from the project are anticipated to increase to 1 mmcf/d by the end of 2022 with continued drilling in the area.

Risk Management

The Company manages commodity price risk and volatility through a prudent hedging management program, with approximately 50%, on average, of gross oil production hedged against WTI for the remainder of 2022, through instruments including puts and enhanced collars. Tamarack also has WTI-MSW and WCS differential hedges in place on approximately 46% of our production in 2022. For 2023, we have entered into WTI put floors and enhanced collars as we systematically roll our risk management program forward on approximately 20% of our first half production. Our strategy provides protection to the sustainability of the business and dividend while maximizing upside. Additional details of the current hedges in place can be found in the corporate presentation on the Company website (www.tamarackvalley.ca).

Investor Webcast & Annual General Meeting

Tamarack will host a webcast at 9:00 AM MDT (11:00 AM EDT) on May 4, 2022 to discuss the first quarter results and operations update. Participants can access the live webcast via this **link** or through links provided on the Company's website. A recorded archive of the webcast will be available on the Company's website following the live webcast.

In addition, the Company wishes to remind shareholders of the annual general meeting of the holders of common shares of Tamarack, which will be held in person at the Calgary Petroleum Club, and simultaneously webcast for online viewing in real-time at this **link**, on Wednesday, May 11, 2022 at 3:00 PM MDT. More information on the meeting can be found in the Management Information Circular dated March 22, 2022, which is filed on SEDAR and available on the Company's website.

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

AECO	the natural gas storage facility located at Suffield, Alberta connected to TC Energy's Alberta System
ARO	asset retirement obligation
bbls	barrels
bbls/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Bopd	barrels of oil per day
GJ	gigajoule
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IP30	average production for the first 30 days that a well is onstream
IP60	average production for the first 60 days that a well is onstream
Mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
Mm	Million
mmcf/d	million cubic feet per day
MSW	Mixed sweet blend, the benchmark for conventionally produced light sweet crude oil in Western Canada
WCS	Western Canadian select, the benchmark for conventional and oil sands heavy production at Hardisty 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) See "Specified Financial Measures"; free funds flow (FFF) was previously referred to as free adjusted funds flow

(2) Comprised of 17,868 bbl/d light and medium oil, 7,522 bbl/d heavy oil, 4,113 bbl/d NGL and 70,989 mcf/d natural gas

(3) Capital expenditures include exploration and development capital, ARO, ESG initiatives, facilities land and seismic but excludes asset acquisitions and dispositions

(4) As per the original budget guidance released on January 13, 2022, with pricing assumptions of: 70.00 USD/bbl WTI; 3.00 CAD/GJ AECO; 1.282 CAD/USD; 4.00 USD/bbl MSW; and 14.00 USD/bbl WCS.

(5) Pro forma the Rolling Hills acquisition effective June 10, 2022, with pricing assumptions of: $90.00 USD/bbl WTI; 4.70 CAD/GJ AECO; 1.271 CAD/USD; 2.04 USD/bbl MSW; and 13.55 USD/bbl WCS.

(6) Capital budget includes exploration and development capital, ARO, ESG initiatives, facilities and seismic but excludes asset acquisitions and dispositions and strategic Clearwater land purchases.

(7) Original comprised of 16,750-17,250 bbl/d light and medium oil, 13,000-13,250 bbl/d heavy oil, 3,750-4,000 bbl/d NGL and 69,000-71,000 mcf/d natural gas; revised comprised of 16,500-17,500 bbl/d light and medium oil, 14,000-15,000 bbl/d heavy oil, 3,750-4,000 bbl/d NGL and 69,000-71,000 mcf/d natural gas

(8) G&A costs in the revised guidance exclude the effect of one-time, non-recurring costs incurred in Q1 2022

(9) Includes the impact of the $200 million in sustainability linked notes issued February 10, 2022

(10) Comprised of 775 bbl/d light and medium oil, ~50 bbl/d NGL and ~2,490 mcf/d natural gas

Disclosure of Oil and Gas Information

Unit Cost Calculation. For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with Canadian Securities Administrators' National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Boe may be misleading, particularly if used in isolation.

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; future consolidation activity and organic growth, including pursuant to the Rolling Hills acquisition; future intentions with respect to return of capital, including enhanced dividends and share buybacks; oil and natural gas production levels, adjusted funds flow, free funds flow; anticipated operational results for 2022 including, but not limited to, estimated or anticipated production levels, capital expenditures and drilling plans; the Company's capital program, guidance and budget for 2022 and 2022 capital program; expectations regarding commodity prices; the performance characteristics of the Company's oil and natural gas properties; the ability of the Company to achieve drilling success consistent with management's expectations; risk management activities, Tamarack's commitment to ESG principles and sustainability; and the source of funding for the Company's activities including development costs. 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; the timing of and success of future drilling, development and completion activities; the geological characteristics of Tamarack's properties; the characteristics of recently acquired assets; the successful integration of recently acquired 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; 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: counterparty risk to closing the Rolling Hills acquisition; the risk that future dividend payments thereunder are reduced, suspended or cancelled; unforeseen difficulties in integrating of recently acquired assets into Tamarack's operations; incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs; 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; the uncertainty of estimates and projections relating to production, cash generation, costs and expenses, including increased operating and capital costs due to inflationary pressures; 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 and the MD&A 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 generating sustainable long-term growth in free funds flow, prospective results of operations and production, weightings, tax horizon, operating costs, 2022 capital budget and expenditures, balance sheet strength, adjusted funds flow and free funds flow, including pro forma the acquisition of Rolling Hills, 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. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Tamarack's guidance. The Company's actual results may differ materially from these estimates.

References in this press release to peak rates, test rates, IP30, IP60 and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Tamarack. The Company cautions that test rates should be considered to be preliminary.

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 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.

“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.

“Operating field netback (non-IFRS financial measure or ratio)” is calculated as total petroleum and natural gas sales, less royalties, net production expenses and transportation expense. These metrics can also be calculated on a per boe basis. Management considers operating netback and operating field netback important measures to evaluate Tamarack’s operational performance, as it demonstrates field level profitability relative to current commodity prices. See the MD&A for a detailed calculation and reconciliation of operating field netback per boe to the most directly comparable measure calculated and presented in accordance with IFRS.

“Operating netback (non-IFRS financial measure or ratio)” is calculated as total petroleum and natural gas sales, including realized gains and losses on commodity and foreign exchange derivative contracts, less royalties, net production expenses and transportation expense (non-IFRS financial measure). This metrics can also be calculated on a per boe basis (non-IFRS financial ratio). Management considers operating field netback an important measure to evaluate Tamarack’s operational performance, as it demonstrates field level profitability relative to current commodity prices. See the MD&A for a detailed calculation and reconciliation of operating netback per boe to the most directly comparable measure calculated and presented in accordance with IFRS.

"Net debt (capital management measure)" is calculated as bank debt plus working capital surplus or deficit, plus other liability, including the fair value of cross-currency swaps and excluding the fair value of financial instruments and lease liabilities.

"Net Debt to Annualized Adjusted Funds Flow (capital management measure)" is calculated as estimated period end net debt divided by the annualized adjusted funds flow for the preceding quarter (multiplied by 4 for annualization).

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.

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