

TSX : TVE



tamarack valley ENERGY

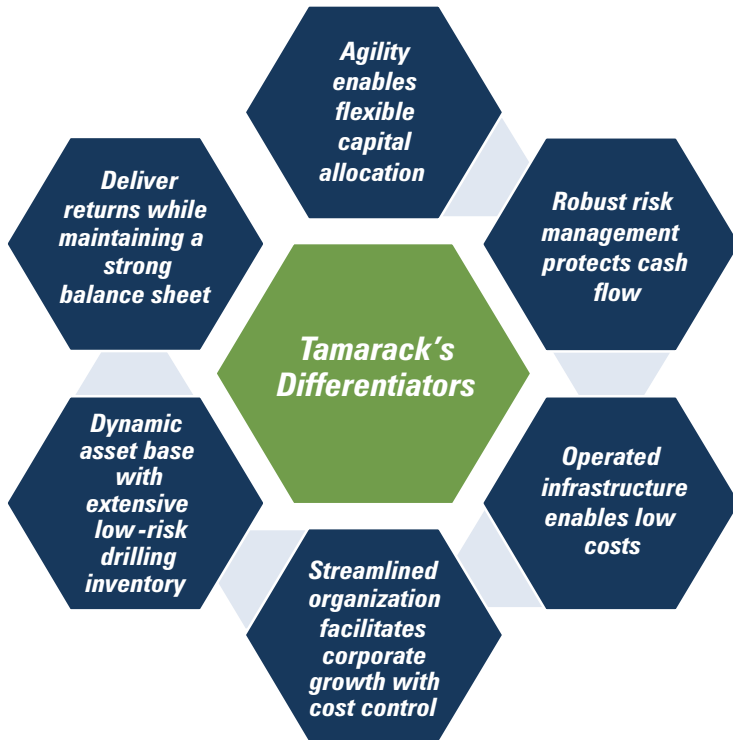
# CONSISTENT EXECUTION DRIVES PER SHARE GROWTH

2018 CORPORATE PROFILE



# ABOUT TAMARACK

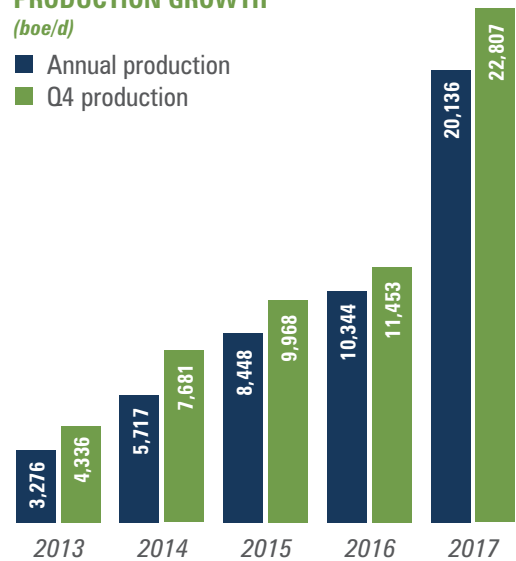
Tamarack is an oil and gas exploration and production company committed to long-term growth through the identification, evaluation and operation of resource plays in Western Canada. Tamarack trades on the Toronto Stock Exchange with the symbol TVE and was named a TSX Venture 50 company before graduating to the TSX in August 2015.



## PRODUCTION GROWTH

(boe/d)

■ Annual production  
■ Q4 production



Target 10-15% production per share growth

Strategically execute a normal course issuer bid

Maintain a healthy and conservative balance sheet

Enhance low-cost core areas through tuck-in acquisitions

Continuous improvement of well design to improve profitability

Returns-Focused Strategy

## ANNUAL GENERAL MEETING

Tamarack Valley Energy invites all shareholders to attend our Annual General Meeting on Thursday, May 10th, 2018 at 9:00am (MDT) in the Dining Room of the Bow Valley Club, 370, 250 Sixth Avenue SW, Calgary, Alberta.

***In 2017, Tamarack implemented a new Health, Safety and Environment Committee within the Board of Directors and added internal resources focused entirely on environmental mandates.***

# Community

Tamarack is committed to giving back to the communities in which we live and operate. In 2017, key community projects included:

- *Creation and sponsorship of a First Nations' cultural short film "litaapiskoo" celebrating the history of the Blood Tribe*
- *Sponsorship and industry fundraising initiatives benefitting the Juvenile Diabetes Research Foundation and Inn from the Cold*
- *Support of Drug Awareness campaigns through advertising and sponsoring ambassadors to speak with schools*
- *Staff-initiated clothing drives and provision of food and household items for families in need*

# Environment

Tamarack strongly believes in environmental stewardship. Our commitment to environmental sustainability includes initiatives such as:

- *Maintenance of a rigorous pipeline integrity program to mitigate risk of environmental damage*
- *Recycling produced water for use in completion operations rather than using fresh water*
- *Active management of our LMR rating which improved 19% from April 2017 to March 2018*
- *Thorough research and careful project planning to ensure minimal disturbance of local flora and fauna, and maintenance of the native ecosystems in our operating areas – both initially and on an ongoing basis*

# Culture

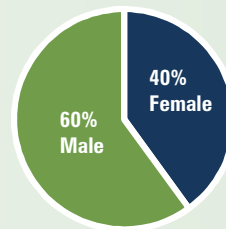
Tamarack's unique culture is characterized by a healthy balance of experienced industry professionals and young ambitious employees. As a team, we believe in investing in our human resources as much as our natural resources. During 2017, we:

- *Hosted several multi-disciplinary lunch and learn series which had a 98% participation rate*
- *Saw one quarter of our team benefit from participation in Tamarack-sponsored continuing education programs*
- *Added bench strength to our internal leaders through the promotion of seven individuals to more senior roles*

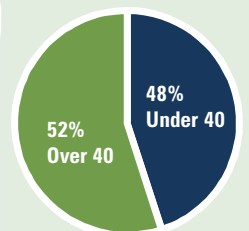
Tamarack ensures strong alignment between management, employees and shareholders through a performance-based corporate compensation plan which includes:

- *Per share growth targets for production and reserves*
- *Full cycle rate of return goals*
- *Cost reduction initiatives*
- *Stock price performance in relation to peers*

**GENDER DIVERSITY OF STAFF**



**AGE DIVERSITY OF STAFF**



# FINANCIAL & OPERATING HIGHLIGHTS

	Three months ended December 31,			Year ended December 31,		
	2017	2016	% change	2017	2016	% change
<i>(\$ thousands, except share numbers)</i>						
Total revenue	90,160	39,793	127	283,672	115,517	146
Adjusted operating field netback	57,583	20,453	182	158,383	64,164	147
Per share - basic	\$0.25	\$0.15	67	\$0.70	\$0.52	35
Per share - diluted	\$0.25	\$0.15	67	\$0.70	\$0.52	35
Net income (loss)	(12,525)	(8,425)	(49)	(13,924)	(27,823)	50
Per share - basic	(0.05)	(0.06)	17	(0.06)	(0.23)	74
Per share - diluted	(0.05)	(0.06)	17	(0.06)	(0.23)	74
Net debt	(173,180)	(52,316)	231	(173,180)	(52,316)	231
Capital expenditures	35,516	14,863	139	192,302	56,819	238
Weighted average shares outstanding						
<i>(thousands)</i>						
Basic	228,066	137,044	66	225,306	122,235	84
Diluted	228,066	137,044	66	225,306	122,235	84
Share trading						
High	\$3.15	\$3.89	(19)	\$3.59	\$4.28	(16)
Low	\$2.49	\$3.00	(17)	\$1.96	\$2.16	(9)
Trading volume (thousands)	35,006	39,342	(11)	196,595	122,074	61
Average daily production						
Light oil (bbls/d)	12,189	4,858	151	9,929	4,215	136
Heavy oil (bbls/d)	500	316	58	511	363	41
NGLs (bbls/d)	1,459	1,075	36	1,547	1,035	49
Natural gas (mcf/d)	51,956	31,226	66	48,893	28,388	72
Total (boe/d)	22,807	11,453	99	20,136	10,344	95
Average realized price						
Light oil (\$/bbl)	65.08	58.71	11	59.42	50.53	18
Heavy oil (\$/bbl)	48.97	44.60	10	46.01	35.45	30
NGLs (\$/bbl)	44.03	28.99	52	32.38	20.74	56
Natural gas (\$/mcf)	1.89	3.27	(42)	2.32	2.41	(4)
Total (\$/boe)	42.97	37.76	14	38.60	30.51	27
Operating netback (\$/boe)						
Average realized sales	42.97	37.76	14	38.60	30.51	27
Royalty expenses	(4.03)	(3.56)	13	(3.96)	(2.32)	71
Production expenses	(10.40)	(12.17)	(15)	(11.19)	(11.64)	(4)
Operating field netback (\$/boe)	28.54	22.03	30	23.45	16.55	42
Realized commodity hedging gain (loss)	1.53	(0.15)	1,120	0.77	3.25	(76)
Operating netback	30.07	21.88	37	24.22	19.80	22

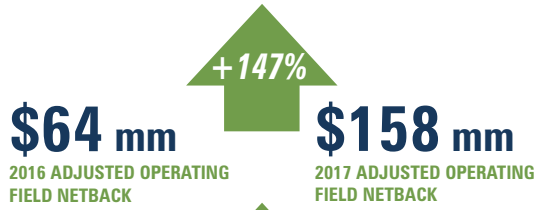
(1) Adjusted operating field netback, net debt, operating netback, operating field netback and adjusted funds flow netback do not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. See "Oil and Gas Metrics" and "Non-IFRS Measures" in the Annual Management's Discussion & Analysis, available at [www.tamarackvalley.ca](http://www.tamarackvalley.ca) for further clarification.

(2) Capital expenditures include exploration and development expenditures, but exclude asset acquisitions and dispositions.

(3) Adjusted operating field netback is calculated by taking net income/loss and adding back non-cash items including: unrealized loss(gain) on financial instruments; dispositions; transaction costs; stock based compensation; accretion expense on decommissioning obligations; depletion, depreciation and amortization; and impairment. For a full financial reconciliation of this non-IFRS measure, please refer to the Tamarack website at [www.tamarackvalley.ca](http://www.tamarackvalley.ca).



# FINANCIAL & OPERATING HIGHLIGHTS



**20,136 boe/d**  
2017 AVERAGE PRODUCTION

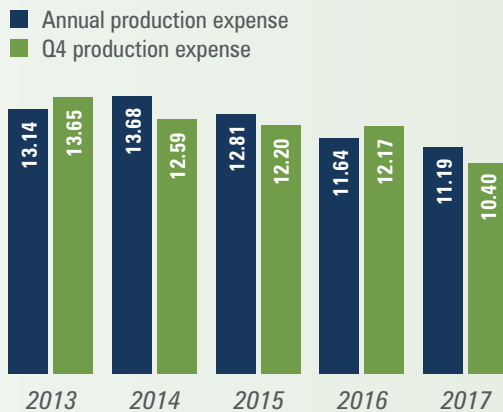
**0.8 x**  
NET DEBT TO ANNUALIZED Q4 2017 ADJUSTED OPERATING FIELD NETBACK



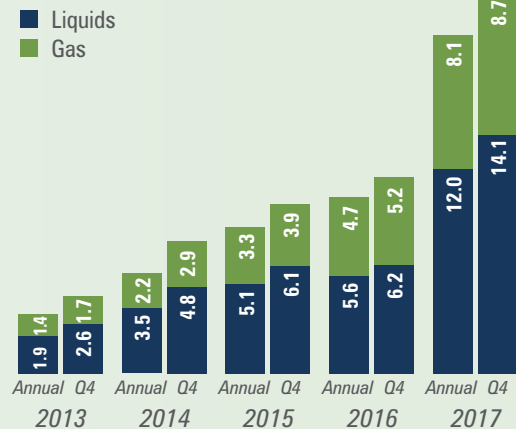
**22,807 boe/d**  
RECORD PRODUCTION ON EXIT OF 2017

**\$192.3 mm**  
2017 CAPITAL EXPENDITURES

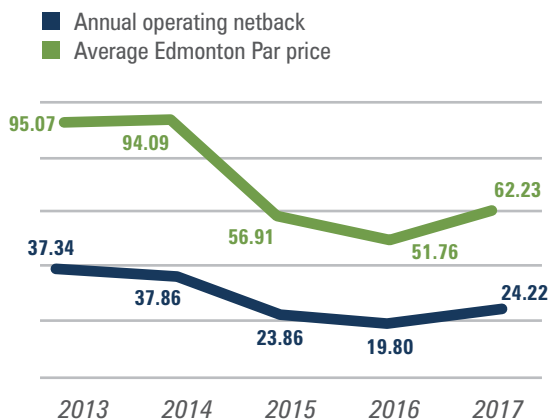
**PRODUCTION EXPENSE (\$/boe)**



**PRODUCTION LIQUIDS VS. GAS (mboe/d)**



**OPERATING NETBACK VS EDMONTON PAR (\$/boe)**



**+99%**  
PRODUCTION Q4 2016 TO Q4 2017

**62%**  
OIL & LIQUIDS WEIGHTING Q4 2017

# LETTER TO SHAREHOLDERS

***While the beginning of 2017 marked the transformation of our asset base with the acquisition of Spur's Viking assets (the "Viking Acquisition"), 2018 represents a new era of opportunity for Tamarack. We are poised to further enhance our low-risk and high-return asset base, particularly in an improving oil price environment, through further cost reductions, prudent capital allocation and a consistent approach to executing our strategy.***

## STRATEGY IN ACTION

Through 2017, Tamarack Valley Energy Ltd. ("Tamarack" or the "Company") continued to build on our light oil-weighted asset base and remained focused on enhancing shareholder value by growing production, reserves and cash flow while steadily increasing our oil and liquids weighting. This was part of a longer-term strategy that was implemented in 2015 to deal with low commodity prices. It started with harsh capital and operating cost cutting, well redesign to become profitable at lower prices and finally a deleveraging of the balance sheet. Over the past few years, the Company has advanced our strategy by successfully transacting on several attractive acquisition opportunities that emerged due to the material decline in commodity prices. The Viking Acquisition completed at the beginning of 2017 directly supported our intention to increase our liquids weighting given the weakness in natural gas prices in Western Canada and clearly demonstrates our strategy in action.

Since inception, the Company has employed a conservative approach to running our business. We actively manage commodity risk through consistent and strategic hedging and seek to improve capital efficiencies through careful analysis of frac design, extending the length of horizontal wells - coupled with implementing new technologies to enhance recoveries and reduce costs. Most importantly, we continue to be conservative in our assumptions during budgeting with the view to meeting or exceeding our guidance and maintaining a strong balance sheet. Tamarack has a proven track record of prudently allocating financial resources while achieving sustainability in a low commodity price environment. We are technical experts on our plays and our team knows what it takes to profitably grow regardless of commodity prices. Our assets are some of the most profitable in the basin.

The strategic decisions that Tamarack made during a very challenging commodity price environment over the past few years have contributed to securing the Company's long-term sustainability and financial flexibility, while demonstrating the strength of our unique returns-based growth model. Following the severe oil price collapse that commenced in 2014, numerous attractive acquisition opportunities came available and we elected to focus on building Tamarack's asset base through the downturn. As a result, we chose to focus on accumulating high-quality, oil-weighted assets which could be acquired at attractive metrics and put our per share growth strategy on hold. We closed several meaningful transactions, as well as some smaller tuck-in acquisitions, culminating in the Viking Acquisition in early 2017. The fourth quarter of 2017 was the first quarter in which the full benefit of the Viking Acquisition was realized which was clearly demonstrated by our strong growth. As a result of our past strategic decisions, Tamarack is now positioned to resume our per share growth focus, and expects to achieve 10 to 15% growth in debt-adjusted production per share as well as meaningful cash flow per share growth through 2018 and beyond.

## HIGH-QUALITY ASSETS

Tamarack's 2017 capital expenditure program was directed approximately 50% to the Viking Acquisition assets and 35% to our Cardium play. As both assets have approximately nine years of drilling inventory based on 2017 spending, the current capital allocation is expected to continue to grow each asset. Our active capital program combined with the impact of the Viking Acquisition assets contributed to production increasing by 99% to 22,807 boe/d in Q4 2017 from 11,453 boe/d in Q4 2016 and by 95% in 2017 over 2016. In response to continued weakness in natural gas prices, Tamarack made the conscious decision mid-2017 to direct capital to projects with a higher oil and liquids weighting, particularly to the Cardium at Wilson Creek and the Viking at Veteran. This led to our oil and liquids weighting increasing 13% from a 55% weighting in Q4/16 to 62% weighting in Q4/17 with expectations for a further increase in 2018.

Our operational success through the year helped grow the Company's high-quality drilling inventory, which totaled 1,250 net locations at year end 2017, an increase of 56% over year end 2016 estimated locations, and which could last the Company more than nine years at current capital expenditure levels. Our 2017 drilling program placed focus on the high-quality, oil-weighted Viking and light-oil weighted Cardium and remained true to Tamarack's objective of drilling wells that payout in under 1.5 years in the current commodity price environment. We also continued to strategically delineate the Viking play to quantify the potential upside and how best to develop the asset to maximize rates of return while shallowing corporate declines. The result of these activities was an increase in our proved developed producing ("PDP") reserves by 14% per fully diluted share and 53% on an absolute basis. Total proved ("TP") reserves increased 55% to 51.8 million boe, while total proved plus probable ("TPP") reserves increased 62% to 91.5 million boe. Our consistent and conservative approach to reserves booking means that our TPP reserves include only 200 net proved undeveloped horizontal Viking oil drilling locations and 44 net undeveloped horizontal Cardium drilling locations booked.

Tamarack's light-oil Cardium play has effectively been rejuvenated by deploying new technology that allows us to drill two-mile lateral wells while also increasing frac density. In addition, the Company will capitalize on learnings at Penny based on the most recent well drilled in the area in late 2017. After four months on production, only approximately 25% of the well is on production due to mechanical issues, yet volumes from this Penny well are averaging close to initial expectations which assumed production from the entire well. Tamarack is pleased with the economics and anticipates using the acquired knowledge to improve capital efficiencies on our 2018 drilling program in Penny.

## FINANCIAL STRENGTH

Tamarack has remained committed to a conservative and long-term strategy to maximize value creation for all stakeholders. As part of this, protecting our balance sheet and maintaining appropriate liquidity has always been a priority. When oil prices collapsed in early 2016 to a low of under \$31.00/bbl, Tamarack had just exited Q1 2016 with a debt to adjusted operating field netback (formally known as debt to adjusted funds flow) ratio of 1.4x. We were mindful of this and actively took steps to reduce our debt. Exiting 2017, Tamarack's debt to adjusted operating field netback was a healthy 0.8x and the Company is well positioned as oil prices have started to recover. We have significantly improved our balance sheet by improving efficiencies and continuing to focus on cost reductions.

...CONTINUED

## LETTER TO SHAREHOLDERS

Tamarack achieved strong production and reserves growth in 2017 while reducing our per boe production and general and administrative (“G&A”) expenses. Our G&A was reduced to \$1.70/boe in 2017 from \$1.95/boe in 2016. Tamarack reduced production costs in 2017 by 4% to \$11.19/boe compared to \$11.64/boe in 2016 and has identified mechanisms to further reduce operating costs by 4 to 5% in 2018 and 2019. The cost reductions achieved in 2017 positively impacted our operating netbacks, which increased 22% year over year to \$24.22/boe in 2017 from \$19.80/boe in 2016, contributing to 147% higher adjusted operating field netback in 2017 over 2016. All of this is consistent with our model of keeping a sharp eye on cost control, whether in the field or at head office, and thinking outside the box to realize cost savings. Establishing Tamarack as a low-cost operator enables the Company to continue consolidating within our core areas and capturing additional synergies with an expanded land base.

### MARKETING, HEDGING & INFRASTRUCTURE

In the latter half of 2017, Tamarack took proactive steps to protect our revenue against gas price weakness by securing arrangements that provide access to markets which have historically outperformed the persistently weak AECO pricing hub in Alberta. In addition, the Company will continue to opportunistically layer in hedges that further protect against downside risk in crude oil and natural gas pricing, as well as foreign exchange movements.

Consistent with our expanded market access strategy, Tamarack entered into an agreement to deliver a minimum of 4,000 bbls of oil per day to a new, 120 km pipeline (the “Viking Pipeline Project”) operated by a third party midstream company. The Viking Pipeline Project provides Tamarack with a reduction in transportation costs and increased access to oil markets, thereby supporting our planned continued development of the Veteran Viking oil play, with initial capacity of 13,300 bbls/d and the potential to expand up to 25,000 bbls/d. The Viking Pipeline Project is expected to be operational by the end of the first quarter of 2019.

Over and above the drilling and completion projects undertaken through the year, in Q4 2017 we also advanced several other capital activities designed to reduce costs and further enhance our asset base. At Veteran, we finalized the first phase of the oil battery expansion and installed associated oil pipelines, which together are expected to significantly reduce water handling costs in the area. At Wilson Creek, we purchased a compressor to eliminate ongoing expenses associated with renting compression equipment which will also positively impact area production costs. By the fourth quarter, these initiatives had helped alleviate Tamarack’s facility constraints that were experienced following our active drilling program early in 2017. Tamarack will continue to seek cost saving and efficiency improvement opportunities across our assets.

### CONTINUED CATALYSTS FOR PER-SHARE GROWTH

Tamarack’s planned 2018 capital expenditures program has been set at \$195 to \$205 million and contemplates the drilling, completion, equipping and tie-in of approximately 120 (116.4 net) wells. We plan to manage the increased production and liquids content by undertaking a second phase of our Veteran oil battery expansion which will increase capacity to 10,000 boe/d from its current 5,000 boe/d capacity. Until this expansion project is complete in April, the Company’s productive capacity through the first quarter is expected to be curtailed. However, with the expansion, Tamarack will have the capacity to fuel our growth for the remainder of 2018 and 2019 and eliminate trucking costs while maintaining control of facilities in the area.

The Company anticipates funding this budget entirely from adjusted operating field netbacks, assuming average WTI oil prices of US\$56.75/bbl. Since realized oil prices have been higher than our budget assumptions, if prices remain at current levels, Tamarack anticipates generating excess cash flow. This would enable the Company to allocate free cash flow to additional tuck-in acquisitions, increase the take-up under our normal course issuer bid (“NCIB”) program, or increase our capital program given the depth of our drilling inventory. The NCIB is designed to support the Company’s share price which, in our opinion, currently trades at a discount relative to industry peers.

In keeping with the Company’s success in 2017, which was truly a transformational year, we also enhanced our governance and strengthened many aspects of our internal structures. We added three new board members and formed a new Board committee, ‘Health, Safety and Environmental’ which will further contribute to our success. Over the past year, depth was added to several of our key internal roles through both internal promotions and new external hires; additionally we implemented improved systems that strengthened internal controls. As a result of these efforts, our growth capacity has been expanded, positioning the Company to seamlessly undertake any size acquisition that presents a value-creation opportunity. With a strong balance sheet, our focus has returned to generating debt adjusted per share growth in production, reserves and cash flow.

I am extremely proud of Tamarack’s staff and my colleagues on the leadership team, as they continue to work hard to achieve our strategic goals and objectives. This has been the strongest, most capable team of people I’ve ever worked with. I would like to thank our Board of Directors, employees and management team who successfully navigated the Company through a transformational acquisition and year of change in 2017. Tamarack’s Board of Directors and management would like to thank Mr. Dean Setoguchi for his contributions to the Company, as he is retiring from the Board to pursue other business interests. Mr. Setoguchi has served on the Board of Tamarack since the business combination and reorganization that formed the Company was completed in June, 2010. We believe the value creation that became clear in the fourth quarter of 2017 will be carried forward and is a testament to our team’s tireless efforts. Lastly, on behalf of the entire organization, I want to thank our shareholders for their continued support, as we navigate through complex times in the upstream energy sector. We look forward to reporting on our continued progress and success through 2018.

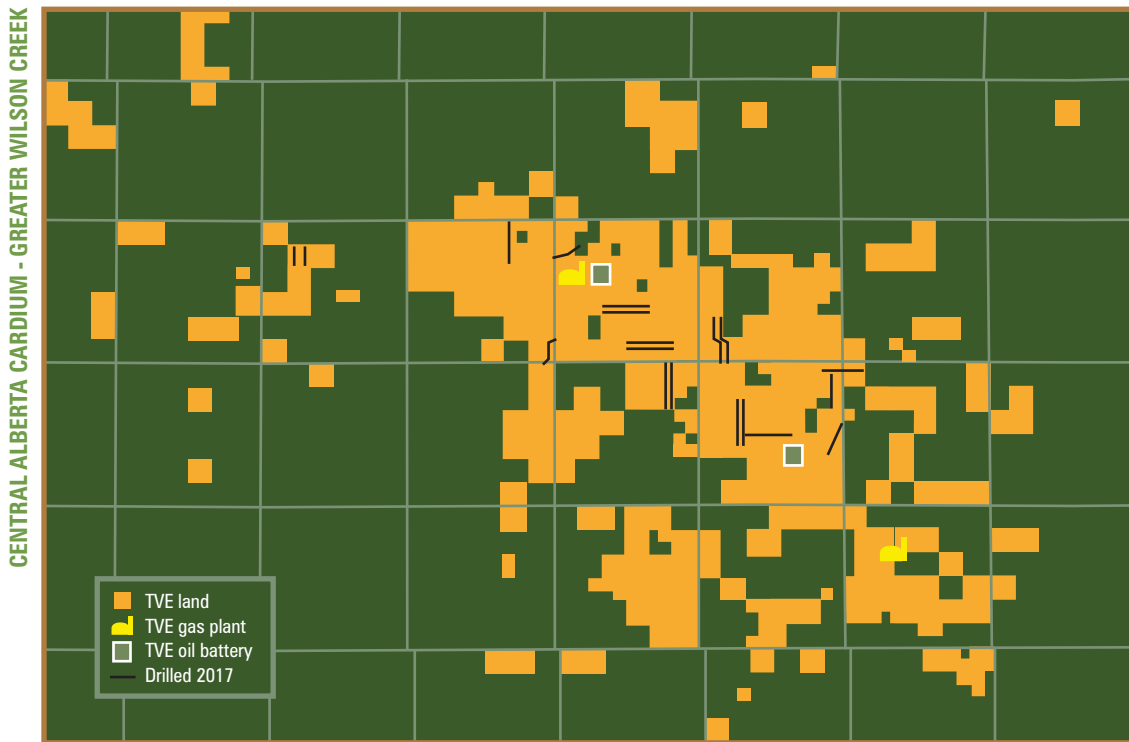


Brian Schmidt  
President, CEO & Director  
April 10, 2018



## REVIEW OF OPERATIONS

Tamarack's producing oil and gas properties are all located in the provinces of Alberta and Saskatchewan. Tamarack averaged 20,136 boe/d in 2017 comprised of 11,987 bbls/d of oil and natural gas liquids and 48.9 mmcf/d of natural gas. The Company exited 2017 averaging 22,807 boe/d during the fourth quarter. Tamarack's core plays include: the Cardium oil play in the Wilson Creek/Alder Flats area; the Viking oil play in central Alberta and west central Saskatchewan; and the Barons oil play in the Penny area of southeastern Alberta. Development in 2017 was focused on the highest rate of return plays in all of the areas with a focus on the Wilson Creek Cardium and central Alberta Viking areas.



The Central Alberta Cardium play is largely focused in the Greater Wilson Creek area including the Wilson Creek, Alder Flats and Pembina areas of Alberta. The Company operates two large pipeline connected oil batteries, two gas plants, and significant pipeline infrastructure in the Greater Wilson Creek area. In addition, this play includes minor assets in the Lochend and Garrington areas.

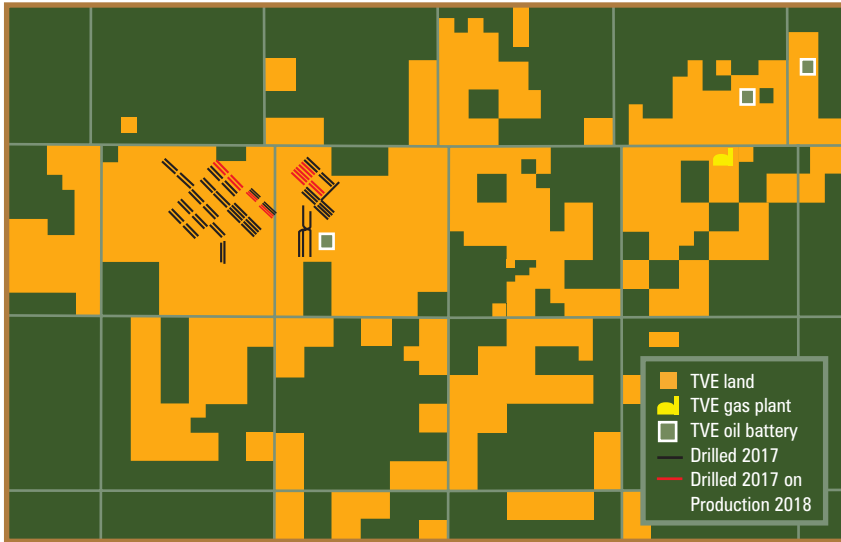
### Central Alberta Cardium Strategic Alignment

- Control of key infrastructure provides competitive advantage
- Strong base of Cardium oil and Pekisko gas production
- Opportunity to push technology limits and drill long reach wells
- Effectively competes for capital with less than 1.5 year payout on investments
- 9 years of drilling inventory

### CENTRAL ALBERTA CARDIUM BY THE NUMBERS

<b>15.3</b> NET WELLS DRILLED IN 2017	<b>32%</b> OF THE 2018 CAPITAL PROGRAM
<b>8,757</b> AVERAGE PRODUCTION IN 2017	<b>349.6/273.8</b> GROSS/NET SECTIONS OF LAND
<b>56%</b> 2017 AVERAGE LIQUIDS WEIGHTING	<b>13,779/39,604</b> MBOE PDP/2P RESERVES

CENTRAL ALBERTA VIKING



The Central Alberta Viking area covers the Consort, Veteran and Esther areas of Alberta. The Company operates several emulsion processing batteries, a gas plant, and water handling facilities. Planned infrastructure expansion for 2018 includes: increasing oil processing capacity; pipeline connection of the largest oil battery; and reactivation of an 8 mmcf/d gas plant.

**Central Alberta Viking Strategic Alignment**

- High liquids weighting and low production decline improves Tamarack's production profile
- Future waterflood potential
- Underlying pressure support from Hamilton Lake zone improves well performance and recoveries
- Competes for capital with less than 1.5 year payout on investments
- 9+ years of drilling inventory with an estimated 533 gross locations

**CENTRAL ALBERTA VIKING BY THE NUMBERS**

**78.4**

NET WELLS DRILLED IN 2017

**41%**

OF THE 2018 CAPITAL PROGRAM

**3,557**

AVERAGE PRODUCTION IN 2017

**343.1/311.4**

GROSS/NET SECTIONS OF LAND

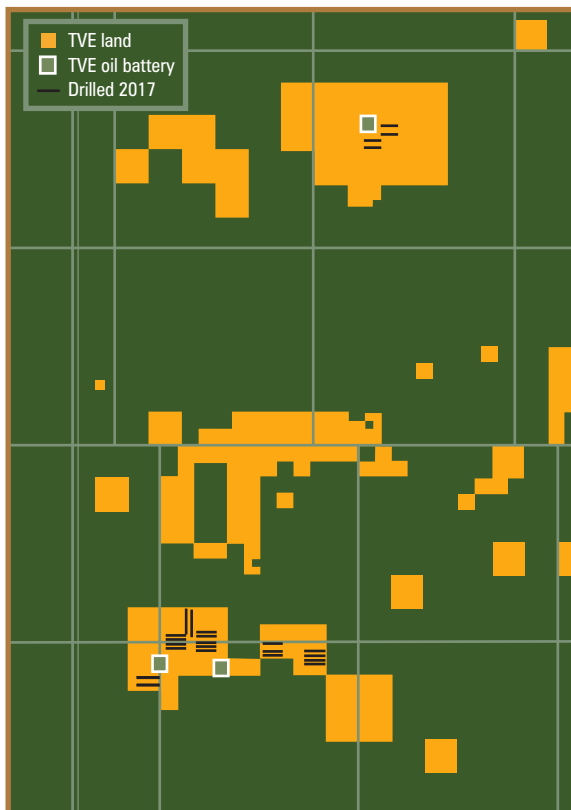
**77%**

2017 AVERAGE LIQUIDS WEIGHTING

**4,122/16,803**

MBOE PDP/2P RESERVES

EAST CENTRAL SASKATCHEWAN VIKING



The East Central Saskatchewan Viking area covers the North Hoosier, Milton and Coleville areas of Saskatchewan. The Company owns and operates significant oil and gas pipeline infrastructure, three emulsion processing batteries and multiple compressors in the area.

**East Central Saskatchewan Viking Strategic Alignment**

- Control of infrastructure provides competitive operating cost advantage
- Significant pipeline infrastructure affords flexible access to processing capacity at three gas plants, and was particularly important during the third-party Coleville plant shut-down in 2017
- Lower Saskatchewan royalties and improved drilling incentives
- Drilling inventory of approximately 200 gross locations

**EAST CENTRAL SASKATCHEWAN VIKING BY THE NUMBERS**

**21.6**

NET WELLS DRILLED IN 2017

**9%**

OF THE 2018 CAPITAL PROGRAM

**3,413**

AVERAGE PRODUCTION IN 2017

**181.9/153.0**

GROSS/NET SECTIONS OF LAND

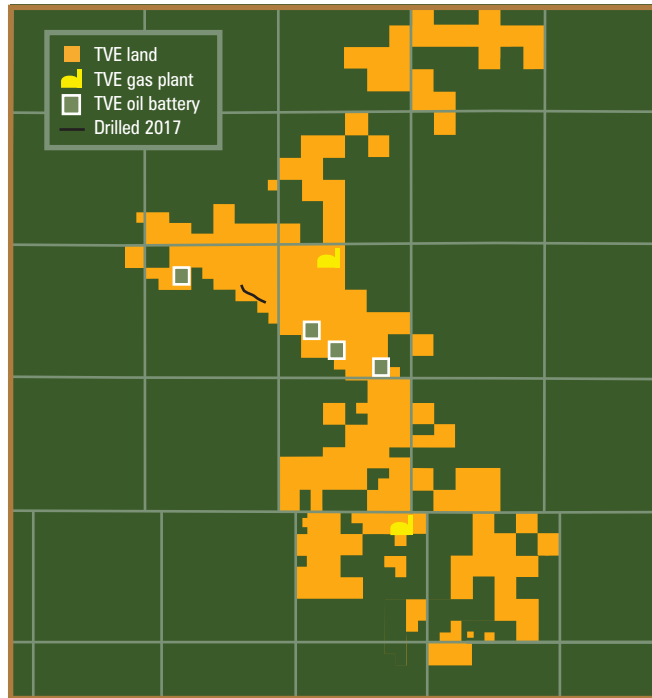
**49%**

2017 AVERAGE LIQUIDS WEIGHTING

**5,636/14,669**

MBOE PDP/2P RESERVES

GREATER PENNY



The Greater Penny area, near Lethbridge, Alberta, is comprised of a Baron's light oil pool and a Bow Island gas play. Key infrastructure consists of four 100% owned oil batteries with combined oil capacity of over 2,000 bbls/d, two 100% owned gas plants with combined 12.5 mmcf/d capacity, multiple injectors and various field compression equipment.

**Greater Penny Strategic Alignment**

- Strong working relationship with the Kainai Nation which holds most of royalty interests in the area
- Large light oil pool under active waterflood
- Only approximately 10% oil recovered to date
- High liquids weighting and shallow base production decline adds value to Tamarack's production profile

**GREATER PENNY BY THE NUMBERS**

**1**  
NET WELL DRILLED IN 2017

**1,260**  
AVERAGE PRODUCTION IN 2017

**72%**  
2017 AVERAGE LIQUIDS WEIGHTING

**8%**  
OF THE 2018 CAPITAL PROGRAM

**179.6/149.4**  
GROSS/NET SECTIONS OF LAND

**5,383/9,608**  
MBOE PDP/2P RESERVES



# RESERVES OVERVIEW

GLJ Petroleum Consultants Ltd. ("GLJ") evaluated Tamarack Valley's reserves as of December 31, 2017. The following table shows reserves and estimated future net present values as of December 31, 2017 using a combined 3-consultant average price deck.

## RESERVES REPORT (FORECAST PRICES AND COSTS)

### Summary of Oil and Gas Reserves as of January 31, 2018 Forecast Prices and Costs

Reserves Category	Reserves									
	Light and Medium Crude Oil <sup>(1)</sup>		Heavy Crude Oil		Conventional Natural Gas <sup>(2)</sup>		Natural Gas Liquids		Total Oil Equivalent	
	Gross (mmbbl)	Net (mmbbl)	Gross (mmbbl)	Net (mmbbl)	Gross (mmcf)	Net (mmcf)	Gross (mmbbl)	Net (mmbbl)	Gross (mboe)	Net (mboe)
Proved:										
Developed producing	14,869	13,232	462	390	79,309	71,986	2,766	2,178	31,316	27,797
Developed non-producing	781	712	120	98	6,177	5,259	39	32	1,970	1,718
Undeveloped	10,382	9,258	243	197	38,729	35,631	1,396	1,271	18,475	16,665
<b>Total proved</b>	<b>26,032</b>	<b>23,202</b>	<b>825</b>	<b>685</b>	<b>124,214</b>	<b>112,875</b>	<b>4,200</b>	<b>3,481</b>	<b>51,761</b>	<b>46,181</b>
Probable	21,826	19,361	730	574	86,080	78,162	2,799	2,398	39,701	35,360
<b>Total proved plus probable</b>	<b>47,858</b>	<b>42,563</b>	<b>1,555</b>	<b>1,259</b>	<b>210,295</b>	<b>191,037</b>	<b>6,999</b>	<b>5,879</b>	<b>91,462</b>	<b>81,540</b>

Notes:

(1) Immaterial Tight Oil volumes have been included in Light & Medium Oil

(2) Immaterial CBM volumes have been included in Conventional Natural Gas

(3) Columns may not add due to rounding

## NET PRESENT VALUES OF FUTURE NET REVENUE (FORECAST PRICES AND COSTS)

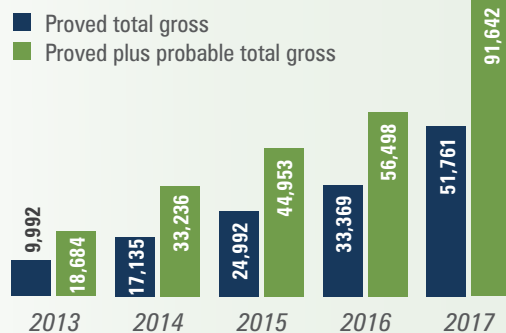
### Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year)

Reserves Category	Discount Rate					Unit Value Before Income Tax Discounted at 10% Per Year (\$/boe)	Unit Value Before Income Tax Discounted at 10% Per Year (\$/mcf)
	0% (\$000s)	5% (\$000s)	10% (\$000s)	15% (\$000s)	20% (\$000s)		
Proved:							
Developed producing	763,480	574,178	479,594	418,750	374,925	17.25	2.88
Developed non-producing	46,668	37,684	32,659	29,273	26,746	19.01	3.17
Undeveloped	282,396	223,597	165,940	122,192	89,947	9.96	1.66
<b>Total proved</b>	<b>1,092,544</b>	<b>835,458</b>	<b>678,193</b>	<b>570,215</b>	<b>491,618</b>	<b>14.69</b>	<b>2.45</b>
Probable	1,068,532	703,269	500,394	376,503	295,378	14.15	2.36
<b>Total proved plus probable</b>	<b>2,161,076</b>	<b>1,538,728</b>	<b>1,178,587</b>	<b>946,718</b>	<b>786,996</b>	<b>14.45</b>	<b>2.41</b>

Note:

(1) Columns may not add due to rounding

### 5 YEAR RESERVES DATA (mboe)



## +53%

PROVED DEVELOPED PRODUCING RESERVES  
PER FULLY DILUTED SHARE GROWTH

## 12.4 yrs

RESERVE LIFE INDEX BASED  
ON 2017 PRODUCTION

## +74%

INCREASE IN TPP OIL RESERVES  
OVER 2016

## 350%

OF PRODUCTION REPLACED  
ON A TP BASIS

# CORPORATE INFORMATION

## DIRECTORS

Floyd Price - Chairman <sup>(3)</sup>

Jeff Boyce <sup>(1)(2)</sup>

Noralee Bradley <sup>(3)(4)</sup>

Ian Currie <sup>(2)(4)</sup>

John Leach <sup>(1)(3)</sup>

David MacKenzie <sup>(1)(2)</sup>

Dean Setoguchi <sup>(1)</sup>

Brian Schmidt

Robert Spitzer <sup>(3)(4)</sup>

*(1) Member of Audit Committee of the Board of Directors*

*(2) Member of the Reserves Committee of the Board of Directors*

*(3) Member of the Compensation & Governance Committee of the Board of Directors*

*(4) Member of the Health, Safety & Environmental Committee*

## MANAGEMENT TEAM

**Brian Schmidt**  
*President & Chief Executive Officer*

**Ron Hozjan**  
*VP Finance & Chief Financial Officer*

**Dave Christensen**  
*VP Engineering*

**Ken Cruikshank**  
*VP Land*

**Kevin Screen**  
*VP Production & Operations*

**Scott Reimond**  
*VP Exploration*

**Sony Gill**  
*Corporate Secretary*

## LEAD BANK SYNDICATE

National Bank of Canada

## LEGAL COUNSEL

McCarthy Tetrault LLP

## AUDITOR

KPMG LLP

## STOCK EXCHANGE

Toronto Stock Exchange

## STOCK SYMBOL

TSX:TVE

## CORPORATE OFFICE

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