

2019

C O R P O R A T E P R O F I L E

TSX : TVE



tamarack valley ENERGY



**POSITIONED
FOR SUSTAINABLE
PER SHARE GROWTH**

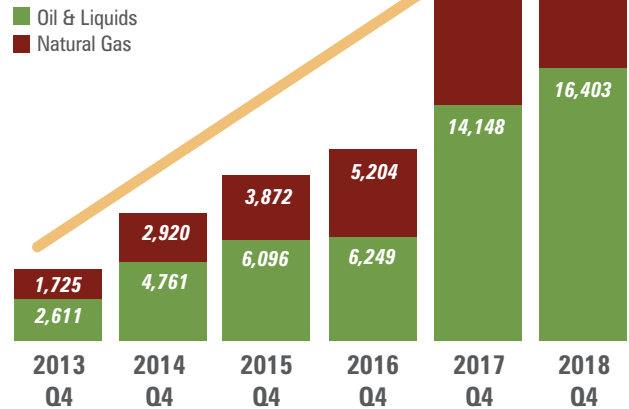
ABOUT TAMARACK VALLEY ENERGY LTD.

Tamarack maintains a rate-of-return driven growth strategy focused on the drilling and acquisition of repeatable and predictable long-life resource plays in the Western Canadian Sedimentary Basin. The Company's extensive low-risk drilling inventory targets tight, light oil in the Viking and Cardium plays that can offer paybacks of less than 1.5 years and achieve sustainable growth under current low commodity price scenarios while maintaining a strong balance sheet. Since 2017, management has been committed to supporting the share price through increased ownership totaling +1,200,000 shares.

472% increase

FROM Q4 '13 TO Q4 '18

TOTAL PRODUCTION (boe/d)



Since 2013, Tamarack has achieved a 472% increase in Q4 average production volumes while enhancing long-term sustainability and enabling a focus on value creation



COMMITMENT TO RESPONSIBILITY

Tamarack has shown an ongoing commitment to sustainability with regards to the environment, business practices and stakeholder engagement. Investing in our business, our people and our community is paramount and will continue to be a guiding value at all levels of the Company.

RETURNS-FOCUSED STRATEGY



>3.0 mm

SHARES PURCHASED AND CANCELLED UNDER NCIB STRENGTHENS PER SHARE METRICS

P R E S I D E N T ' S M E S S A G E T O S H A R E H O L D E R S

To our Shareholders:

As we reflect on the past twelve months and review the success realized by Tamarack during 2018, I am proud of the exceptional performance delivered by our team and confident in the position we have put ourselves in to achieve superior growth in 2020 and beyond.

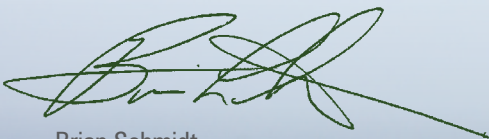
While the last few years have proven extremely challenging for the resource sector, we have set ourselves apart by continuing to deliver enhanced value on a debt-adjusted per share basis. The strength of our strategy has been demonstrated through increased netbacks stemming from our higher oil weighting, reduced cash costs, diversification of our marketing sales points and growth in our net asset value per share. Our achievements through 2018 contribute to Tamarack's strong value proposition today and for the coming years.

The industry faces continued uncertainty, with pivotal elections, government-mandated oil production curtailments and a continued lack of investment into pipelines and other infrastructure projects needed by Canadian producers to realize competitive pricing. In response to this uncertainty, Tamarack created a budget that was based on conservative commodity prices and spending levels in order to comply with the mandated curtailments. Our 2019 capital budget of \$170 to \$180 million is expected to be fully funded internally assuming average WTI oil prices of US\$50.00/bbl, and drilling will be back-end weighted to the latter half of 2019. Our planned 2019 program forecasts the drilling, completion, equipping and tie-in of approximately 125 net wells to support annual average production ranging from 23,500 to 24,500 boe/d (64-66% oil and NGL), along with continued investment in longer-term, value-add projects, including our Veteran waterflood. This waterflood project is designed to help reduce Tamarack's overall production decline rates beginning in late 2019 and into 2020, reducing the capital required to maintain production volumes and further supporting our long-term sustainability.

We have retained the flexibility to quickly adjust our 2019 capital spending to ensure funds are allocated to activities offering the best returns for shareholders, whether that is growth capital, further share buybacks or accretive acquisitions. If commodity prices remain weak, our robust hedging program offers protection on approximately 30% of our forecast 2019 oil production, with US \$60/bbl WTI puts. Tamarack will continue to closely monitor current and future commodity prices and crude oil differentials with the goal of layering on further hedges when market conditions are favourable. Based on current strip prices and forecast estimates for spending and production in 2019, we currently anticipate generating excess adjusted operating field netbacks, which will support a year-end 2019 net debt to Q4 annualized adjusted operating field netback ratio of approximately 1.0 times, with more than \$100 million of liquidity available on our existing credit facilities.

In addition to taking a conservative approach to our financial management, Tamarack is also firmly committed to strong environmental, social and governance practices. When coupled with our attractive asset base, these components constitute the foundation that will support long-term sustainability and success across all facets of Tamarack's business. An important component of our environmental practice includes working towards 100% produced or recycled water in our fracturing process and reducing our environmental footprint by drilling longer lateral wells (three miles today versus one-and-a-half to two miles previously) resulting in better capital efficiency with less surface impact. We also undertake focused efforts to reduce emissions, and we have successfully lowered our emissions across 2018. Tamarack's culture is centered around being excellent operators and outstanding corporate citizens, fostering diversity and inclusion within our teams and giving back to our communities in the form of financial donations or volunteer time. Tamarack team members are challenged to uphold our values of safety and responsible stewardship, and these values factor significantly in the Company's compensation plan which supports responsibility, sustainability and strong governance practices, ensuring clear alignment with all stakeholders.

I am extremely proud of the organization's performance and of our entire team, as we have assembled some of the strongest, most capable individuals in the industry. Tamarack's success in 2018 was made possible through the hard work and dedication of our Board of Directors, employees and management who together helped navigate the Company through another challenging year for the oil and natural gas industry. On behalf of the entire organization, thank you to our shareholders for your continued support and belief in our strategic goals and objectives. We look forward to reporting on our continued progress and success through 2019 and beyond.



Brian Schmidt
President, CEO & Director
June 28, 2019



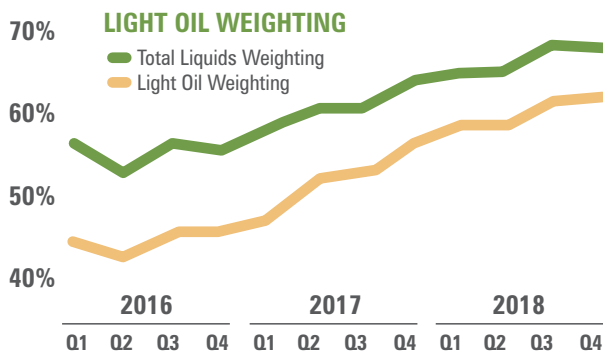
Tamarack: Focused on fundamentals and driving per share value

FINANCIAL OVERVIEW

(\$ thousands, except share numbers)	Years ended December 31,		
	2018	2017	% change
Total revenue	355,826	283,672	25
Adjusted operating field netback ⁽¹⁾⁽²⁾	226,475	158,383	43
Per share - basic	\$0.99	\$0.70	41
Per share - diluted	\$0.97	\$0.70	38
Net income (loss)	38,310	(13,924)	375
Per share - basic	0.17	(0.06)	383
Per share - diluted	0.16	(0.06)	367
Net debt ⁽¹⁾	179,880	173,180	4
Capital expenditures ⁽³⁾	226,251	192,302	18
Weighted average shares outstanding (thousands)			
Basic	227,720	225,306	1
Diluted	233,561	225,306	4
Average daily production			
Oil (bbls/d)	14,321	10,440	37
NGLs (bbls/d)	1,398	1,547	(10)
Natural gas (mcf/d)	51,108	48,893	5
Total (boe/d)	24,237	20,136	20

- (1) Adjusted operating field netback and net debt 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 for further clarification.
- (2) 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.
- (3) Capital expenditures include exploration and development expenditures, but exclude asset acquisitions and dispositions.

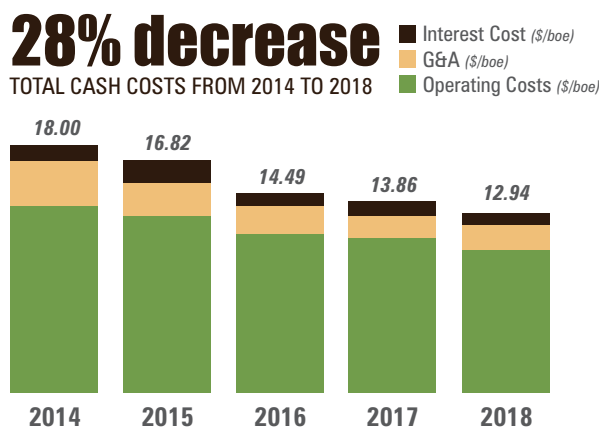
STEADY GROWTH IN OIL & NGL PRODUCTION AND LIQUIDS WEIGHTING



37% increase

Tamarack has steadily focused on increasing our oil and liquids weighting with the view to strengthening revenue

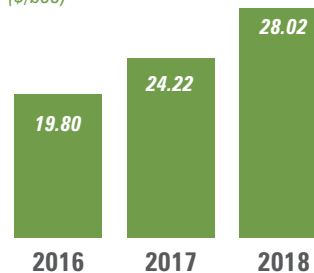
DRIVING DOWN CASH COSTS LEADS TO ENHANCED NETBACKS



All-in cash costs have steadily declined while production continues to grow

41% increase

FROM 2016 TO 2018
OPERATING NETBACKS⁽⁴⁾ (\$/boe)



Increased oil and liquids weighting and improved revenue, combined with lower costs, enhanced operating netbacks

YEAR IN REVIEW

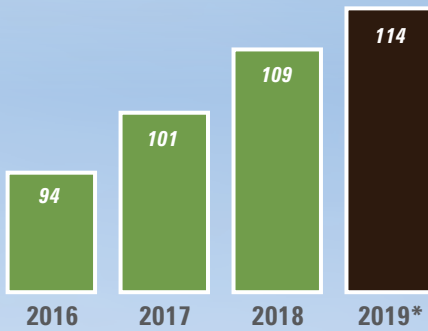
Tamarack delivered another year of exceptional performance in 2018 while enhancing per share and debt-adjusted per share value. In each quarter, production guidance was met or exceeded while driving down costs and achieving strong capital efficiencies. With an asset base that features a robust inventory of wells which are expected to payout in 1.5 years or less, Tamarack can adjust the capital program up or down to optimize returns in response to commodity price fluctuations. To support per share metrics, the Company continued to purchase and cancel outstanding common shares under our Normal Course Issuer Bid (NCIB). This can be done when there is a perceived misalignment between the Company's prevailing share price and the underlying current and future potential value of our assets.

16% increase

IN PRODUCTION PER SHARE FROM 2016 TO 2018

PRODUCTION PER SHARE GROWTH

(Average Q4 production per mm shares o/s)



* Based on current guidance.

Focusing on per share growth supports true value creation for all shareholders

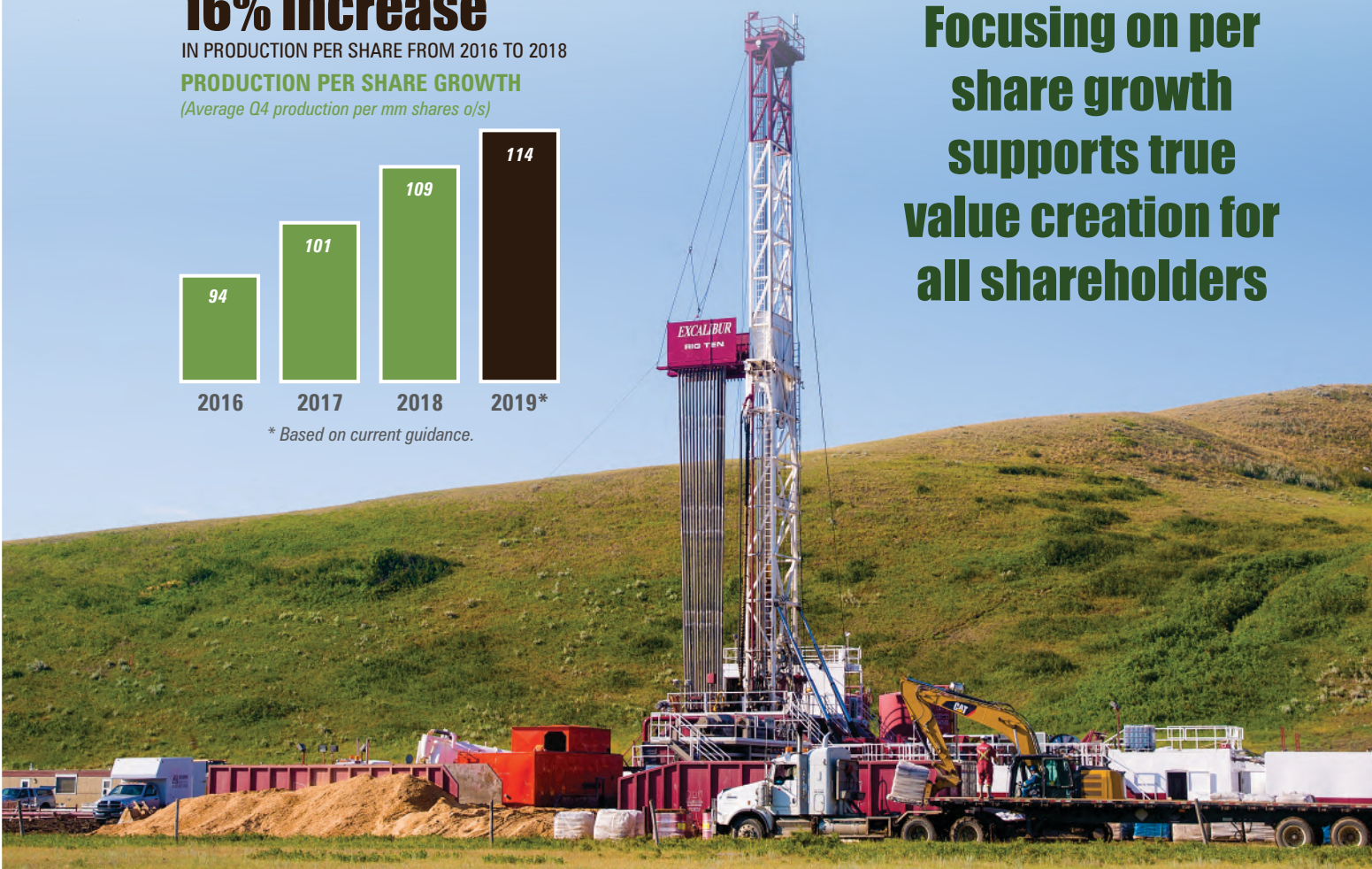
In 2018 Tamarack achieved:

+43%
INCREASE IN TOTAL ADJUSTED OPERATING FIELD NETBACK⁽¹⁾

+20%
INCREASE IN PRODUCTION (BOE)

+20%
INCREASE IN OIL RESERVES

(1) Adjusted operating field netback is a Non-IFRS measure based on adjustments to earnings of the various financial statement line items. See the Company's MD&A for the period ended December 31, 2018.



YEAR IN REVIEW

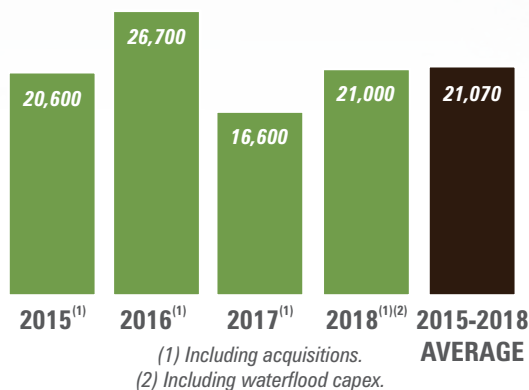
>9 years
OF DRILLING LOCATIONS
THAT PAY OUT IN
UNDER 1.5 YEARS



\$21,070/boepd

FROM 2015 TO 2018

WEIGHTED AVERAGE CAPITAL EFFICIENCY
(\$/boepd)



TAMARACK'S CONSERVATIVE APPROACH TO RESERVE BOOKINGS

Drilling Inventory

Consistent with historical practices, Tamarack maintained a conservative approach to reserves booking in 2018 with total proved (TP) reserves including only 140.6 net Veteran and Consort horizontal Viking oil wells, 103.2 net Redwater and Saskatchewan horizontal Viking oil wells and 47.5 net undeveloped horizontal Cardium oil locations. Based on internal estimates of potential locations, we anticipate having over 9 years of drilling locations that pay out in under 1.5 years within our overall inventory but have conservatively booked only a small fraction of those.

Capital

Our reserve evaluators also assigned conservative estimates for future development capital (FDC) needed for Tamarack to develop our reserves. In the reserves report, the Company's forecast FDC for 2019 is \$126.8 million, which is materially lower than Tamarack's 2019 capital expenditure guidance of \$170 to \$180 million. Our total estimated FDC on a total proved plus probable (TPP) basis was \$700.2 million, reflecting just under four years of drilling based on our 2019 estimated capital budget.

Veteran Viking Waterflood

The results of our waterflood program in Veteran have also been conservatively recognized, with only 4.9 million barrels of waterflood reserves assigned to the probable category, and no waterflood reserves yet reflected in the proved developed producing (PDP) or TP categories. Tamarack's waterflood scheme in Veteran is expected to benefit the Company in future years by improving oil recoveries on the estimated billion barrels of oil in place, reducing corporate decline rates and increasing production rates over time, all while utilizing existing Tamarack-owned infrastructure. Across our Veteran asset base, an estimated 2.0% of the original oil in place has been recovered, while management estimates that with the waterflood benefit we could ultimately recover 17.6% of that oil, further supporting our long-term sustainability.

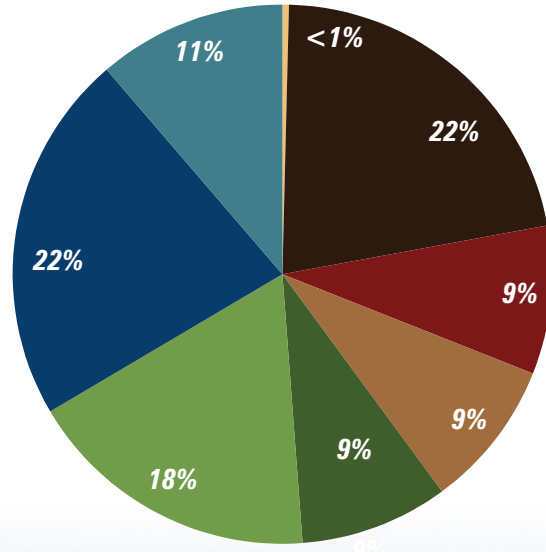
Tamarack continues to demonstrate sustainability and resilience with strong capital efficiencies



COMMITMENT TO SUSTAINABILITY

Across all facets of our business, Tamarack clearly demonstrates a commitment to sustainability. Investing in long-term projects will ultimately decrease decline rates, increase sustainability and drive improving returns. We maintained a sharp focus on per share growth in 2018 and added to our overall fundamentals, ensuring strong alignment with shareholders. For 2019, we are targeting debt-adjusted production per share growth of ~3-5% at oil prices of US\$50.00/bbl. Tamarack's resilient assets can continue to drive growth even in a lower commodity price environment.

Our natural gas market diversification provides Tamarack with exposure to various sales hubs that have historically provided premium pricing to AECO



NATURAL GAS MARKETING ⁽¹⁾

- AECO Daily (5A)
- AECO Daily (5A) + Premium (SK)
- Dawn
- Chicago
- Michigan City Gate
- Malin
- NYMEX (Physical Basis Swap)
- Waddington

(1) Market diversification as at December 31, 2018.

Year end 2018 net asset value per share was 1.5x higher than Tamarack's December 31, 2018 share price

\$5.95 PER SHARE NET ASSET VALUE (NAV) ⁽¹⁾

152% HIGHER THAN YEAR END 2018 TRADING PRICE OF \$2.36/SHARE

(1) Based on the net present values (discounted at 10%) of TPP reserves per basic share, adjusted for net debt of \$179.9 mm and no value assumed for undeveloped land or infrastructure.

ENVIRONMENT, SOCIAL & GOVERNANCE

Tamarack places a high value on adhering to strong Environmental, Social and Governance (“ESG”) practices. We are proud of our performance as a responsible steward of the environment, people and shareholder capital and believe that maintaining an ESG strategy has broad implications extending to regulatory requirements, access to capital, industry competition, reputational positioning and value creation.

ENVIRONMENT

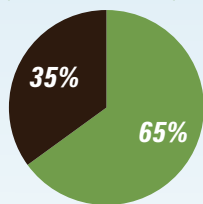
Environmental factors include Tamarack’s stewardship of the environment and our focus on waste and pollution, resource depletion, emissions and reclamation activities. Protecting the environment is essential to fulfilling our business goals and ensuring operations are conducted in a diligent manner, with the objective of minimizing any adverse impacts on the environment.

water

Tamarack utilizes water in two key aspects of operations and works to utilize creative solutions that minimize impact.

COMPLETION FLUIDS

(% of total water use)



■ Fresh water
■ Recycled water

Tamarack endeavours to utilize both recycled and non-potable slough water in completion operations.

WATERFLOOD SOURCES

(MBPD water for secondary recovery)

■ Produced
■ Brackish
■ Fresh



Secondary recovery consumes a significant volume of water. In 2019 Tamarack will utilize a majority of non-potable brackish water for injection and recovered/produced water as sources.

reclamation

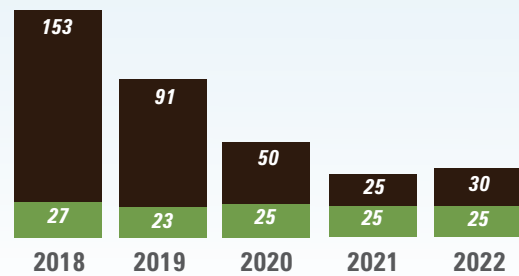
Complete environmental reclamation of land can take 5 to 7 years. Tamarack’s reclamation plan starts when a site is first initiated.

MINIMAL DISTURBANCE

By exercising minimal disturbance and minimizing size of footprint, we simplify the future reclamation process.

5-YEAR RECLAMATION PLAN

■ Completed Sites
■ Initiated Sites



ghg emissions

THE STRICT CANADIAN OIL AND GAS REGULATORY AND GOVERNANCE FRAMEWORK MEANS TAMARACK’S PRODUCTS ARE EXTRACTED IN THE SAFEST, MOST TRANSPARENT AND SUSTAINABLE MANNER POSSIBLE. WE ADHERE TO REGIMES FEATURING INCREASINGLY STRINGENT REGULATIONS REGARDING GHG.

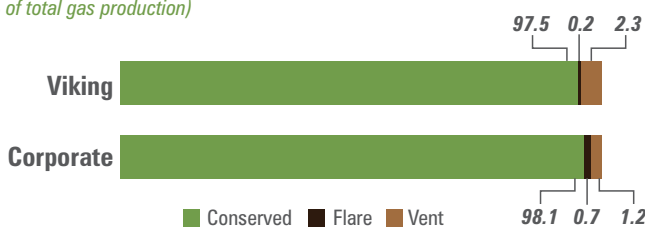
Tamarack endeavours to reduce emissions in significant ways through improved conservation of produced natural gas and value add fugitive emissions projects.

GAS CONSERVATION

Since acquiring the Viking assets in 2017, Tamarack has expanded infrastructure and incorporated gas capture into capital projects.

GAS EMISSIONS AND CONSERVATION

(% of total gas production)



EMISSION REDUCTIONS

Fugitive emission projects recapture and redirect small volumes of gas that would otherwise be vented as part of normal processes.

One project undertaken in 2018 was a heat exchanger at the Viking 15-20 facility. By exchanging heat energy from oil leaving the treater with incoming oil it reduces the energy required to treat incoming oil and reduces the natural gas flashing on the outgoing oil as it reaches atmospheric pressure at a lower temperature.

5 EMISSION REDUCTION PROJECTS UNDERTAKEN IN 2018

15 TONNES OF CO₂ PER DAY REDUCED THROUGH EMISSION PROJECTS

98 PERCENT OF GAS CONSERVED IN 2018 VERSUS FLARING AND VENTING

ENVIRONMENT, SOCIAL & GOVERNANCE

SOCIAL

Tamarack is committed to investing in the people and communities that are part of our ecosystem.

\$90,000 invested

By Tamarack for employee education and continuing development in 2018.

77% Of employees participated in third party development and training in 2018.

>1,000 hours contributed

By Tamarack and its employees to industry committees and advocacy initiatives including CAPP, IRC and Energy Citizens in 2018.

100% Of Tamarack employees contributed to industry advocacy and betterment in 2018.

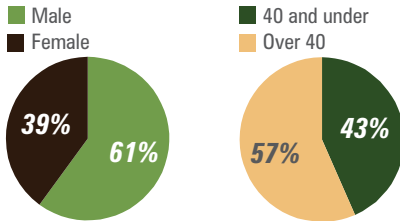
\$62,000 donated

By Tamarack and its employees in 2018.

>500 hours volunteered

By Tamarack and its employees in 2018.

TVE TEAM COMPOSITION



A women's group was initiated in 2018 to enable the development and mentorship of Tamarack's younger female employees.

Tamarack has invested financial and human resources in preserving First Nations' culture through the development of educational films and event sponsorship.



Tamarack was awarded the Corporate Social Responsibility Award at the 2018 Global Petroleum Show for contributing to the betterment of the community.

GOVERNANCE

Tamarack maintains clear oversight with a strong and independent board that is aligned with shareholders and adheres to Governance Best Practices.

RISK MANAGEMENT

Tamarack maintains processes and programs to minimize risk and uses hedging as a tool to protect against volatility in commodity prices.

Governance best practices include:

- Independent board committees with independent chairs
- In-camera sessions are held at each meeting
- Appropriate policies in place to mitigate risk (code of business conduct and ethics; whistleblowing; health, safety and environment; and advance notice policy)
- Individual director voting and majority vote standard

BOARD DIVERSITY

Tamarack maintains board diversity by including both male and female members and varying the tenure of members to mix new ideas with longer-term corporate processes.

30%

OF 2019 OIL PRODUCTION IS PROTECTED BY HEDGES

12.5%

FEMALE BOARD MEMBERS

100%

INDEPENDENCE ON BOARD COMMITTEES



RESERVES SUMMARY

Only 4.9 mmbbl of management's estimated 100 mmbbl Veteran Waterflood reserves were booked at year end



SUMMARY OF OIL AND GAS RESERVES (FORECAST PRICES AND COSTS)
As of December 31, 2018

Reserves Category	Crude Oil Lt. & Med. Gross ⁽¹⁾ (mmbbl)	Crude Oil Lt. & Med. Net ⁽¹⁾ (mmbbl)	Crude Oil Heavy Gross (mmbbl)	Crude Oil Heavy Net (mmbbl)	Natural Gas Gross (mmcf) ⁽²⁾	Natural Gas Net (mmcf) ⁽²⁾	Natural Gas Liquids Gross (mmbbl)	Natural Gas Liquids Net (mmbbl)	Total Gross (mboe)	Total Net (mboe)
Proved:										
Developed producing	16,339	14,507	147	123	75,954	70,112	2,645	2,111	31,788	28,426
Developed non-producing	842	757	239	205	8,928	7,902	61	54	2,630	2,333
Undeveloped	12,813	11,571	163	127	40,281	37,585	1,543	1,399	21,233	19,361
Total proved	29,993	26,835	549	455	125,163	115,600	4,249	3,564	55,651	50,120
Probable	28,159	23,508	450	349	86,930	79,982	2,824	2,399	45,921	39,585
Total proved plus probable	58,152	50,342	999	804	212,093	195,581	7,073	5,962	101,572	89,706

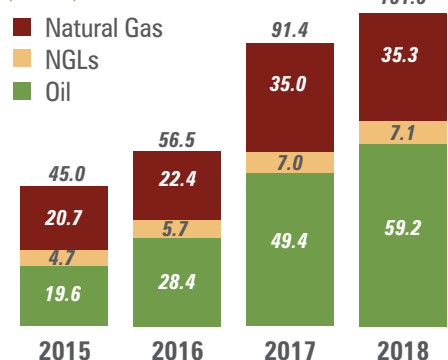
(1) Immaterial Tight Oil volumes have been included with Light & Medium Crude.
(2) Immaterial CBM volumes have been included in Natural Gas.
(3) Columns may not add due to rounding.

NET PRESENT VALUES OF FUTURE NET REVENUE (FORECAST PRICES AND COSTS)
As of December 31, 2018
Before Income Taxes Discounted At (%/year)

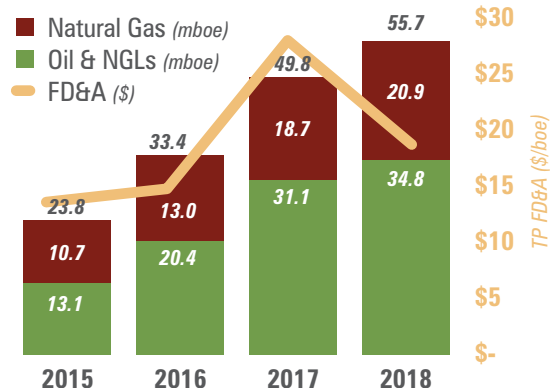
Reserves Category	0% (\$000s)	5% (\$000s)	10% (\$000s)	15% (\$000s)	20% (\$000s)	Unit Value Before Income Tax Discounted at 10% Per Year (\$/boe)
Proved:						
Developed producing	681,815	590,082	515,863	459,947	416,912	18.15
Developed non-producing	55,510	44,239	37,438	32,842	29,474	16.05
Undeveloped	452,997	345,872	267,459	210,646	168,666	13.81
Total proved	1,190,322	980,193	820,760	703,435	615,052	16.38
Probable	1,407,444	962,460	703,627	540,753	431,402	17.77
Total proved plus probable	2,597,765	1,942,653	1,524,387	1,244,188	1,046,454	16.99

Note: Columns may not add due to rounding.

TOTAL PROVED + PROBABLE RESERVES
(mmboe)



TOTAL PROVED RESERVES



Strong TPP reserves growth including oil reserves up 20% and liquid weighting increased to 65%

TP FD&A* was \$18.83/boe generating a recycle ratio of 1.6x based on \$30.05/boe 2018 netback

*Finding, Development & Acquisition Costs (FD&A)

RESERVES SUMMARY

CONSERVATIVELY BOOKED RESERVES

FDC in TPP of \$700 million represents 4 years of drilling; 2019 FDC only \$127 million vs budget of \$175 million

(\$ thousands, except share numbers)

	PDP	TP	TPP
Reserves added (mboe) ⁽¹⁾	9,319	12,737	18,957
Total reserves (mboe) ⁽²⁾	31,788	55,651	101,572
Reserves replacement	105%	144%	214%
NPV 10 (before tax; \$mm)	515.9	820.8	1,524.4
FD&A cost per boe (\$) ⁽³⁾	24.47	18.83	11.85
Recycle ratio ⁽⁴⁾	1.2x	1.6x	2.5x

(1) Reserves added represents the year over year change in reserves plus production for the preceding year.

(2) Company gross reserves (excludes royalty volumes).

(3) Includes changes to FDC.

(4) Based on the 2018 adjusted operating field netback of \$30.05/boe.

CONSERVATIVELY BOOKED RESERVES

Tamarack maintained a consistent approach to reserves booking, with TP reserves including only 140.6 net Veteran and Consort horizontal Viking oil wells, 103.2 net Redwater and Saskatchewan horizontal Viking oil wells and 47.5 net undeveloped horizontal Cardium oil locations. Further, the FDC for 2019 of \$126.8 million within GLJ's 2018 reserves evaluation is materially lower than Tamarack's 2019 capital expenditure guidance of \$170 to \$180 million. The total FDC on a TP basis was \$381.6 million and on a TPP basis was \$700.2 million (or less than ~4 years of capex).

WATERFLOOD IMPACT

During the year, the Company invested \$30.3 million in waterflood capital, including constructing pipelines for the planned injectors, drilling a water source well, commencement of the water handling upgrades to the Veteran oil battery, drilling nine wells as future injectors in the Veteran unit and drilling six wells to be converted into injectors in East Veteran in 2019. The results of this capital investment have been conservatively recognized, as GLJ assigned probable reserves of 4.9 million barrels of oil associated with the waterflood, with no reserves yet reflected in the PDP or TP categories.



C O R P O R A T E I N F O R M A T I O N

DIRECTORS

Floyd Price - Chairman ⁽³⁾

Jeff Boyce ⁽¹⁾⁽²⁾

Noralee Bradley ⁽³⁾⁽⁴⁾

Ian Currie ⁽²⁾⁽⁴⁾

John Leach ⁽¹⁾⁽³⁾

David MacKenzie ⁽¹⁾⁽²⁾

Brian Schmidt

Robert Spitzer ⁽³⁾⁽⁴⁾

(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

Stikeman Elliott LLP

AUDITOR

KPMG LLP

STOCK EXCHANGE

Toronto Stock Exchange

STOCK SYMBOL

TSX:TVE

CORPORATE OFFICE

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Fifth Avenue Place – East Tower
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Tel: 403.263.4440

Fax: 403.263.5551

www.tamarackvalley.ca

**Help us reduce our carbon footprint: Did you know you can sign up for electronic delivery of documents through our transfer agent Odyssey Trust Company? Find out more at <https://odysseycontact.com/>.*

Committed to corporate responsibility while creating per share value