TSX: TVE

Tamarack Valley Energy Ltd. Announces Sale of Charlie Lake Assets, Transition to Pure Play Clearwater Producer and 25% Dividend Increase

Calgary, Alberta – May 27, 2026 – Tamarack Valley Energy Ltd. is pleased to announce it has entered into a definitive purchase and sale agreement with an arm's-length counterparty to sell its Charlie Lake assets for cash consideration of $804.0 million, before closing adjustments (the "Transaction"). Net proceeds from the divestiture will initially be directed to eliminate Tamarack's net debt[1] and will support primary and secondary development activities across Tamarack's Clearwater fairway driving accelerated production growth.

Upon completion of the Transaction, Tamarack will become a pure play Clearwater producer with a strengthened balance sheet, including a net cash[1] position of >$125 million and $1.3 billion of available funding[1], providing for enhanced capital allocation flexibility to support higher total shareholder value. In connection with the Transaction, Tamarack is pleased to announce a 25% increase to its quarterly dividend from $0.04/share to $0.05/share ($0.20/share annualized) which will commence in the third quarter of 2026.

The Transaction has an effective date of April 1, 2026 and is expected to close near the end of the second quarter, subject to customary closing conditions and regulatory approvals.

Highlights

- **Portfolio Optimization & Long-Term Accretion** – Crystallizes a strong cash return on invested capital[1] of >70% (pre-tax) for the Charlie Lake assets since 2021. Tamarack's go-forward Clearwater focused strategy is expected to drive meaningful accretion of debt-adjusted free funds flow per share in its five-year plan by enhancing corporate profitability through higher margin barrels, lower corporate decline rates and lower reinvestment requirements.
- **Enhanced Total Return to Shareholders & Dividend Increase** – The Transaction creates further capital allocation optionality to maximize total returns to shareholders[1] through accelerated growth in the Clearwater, an enhanced dividend and share buybacks.
- **Clearwater Focus & Development Acceleration** – Tamarack plans to invest an additional ~$75 million in the Clearwater in H2 2026 to accelerate primary and secondary development activities representing a 10% increase to full-year capital investment guidance. Capital deployment is expected to result in 15% year-over-year production growth within Clearwater properties.
- **Pro-Forma Cash Position With Significant Liquidity** – Net proceeds from the divestiture will initially be directed to eliminate Tamarack's net debt[1]. The Company expects to exit the second quarter of 2026 in a net cash[1] position of >$125 million and available funding[1] of $1.3 billion, including cash on hand of >$400 million and undrawn credit facility capacity of $875.0 million. Tamarack has secured commitments from its lending syndicate to maintain the existing capacity and extend the facility maturity date by two years to May 29, 2030 (four-year term).

Portfolio Optimization

Tamarack has successfully completed a multi-year transition into a pure-play Clearwater producer. Over the past three years, consistent operational outperformance in the Clearwater has enabled the Company to reposition its portfolio toward higher-margin, longer-duration assets with stronger capital efficiencies and lower sustaining capital requirements. The divestiture of the Charlie Lake assets represents the next step in that strategy.

The Transaction allows Tamarack to crystallize significant value for shorter-duration assets while further concentrating capital toward the Company's highest-return opportunities in the Clearwater fairway by accelerating the replacement of divested production volumes through highly economic primary development and waterflood expansion. Within the Company's five-year plan, Tamarack expects to replace more than the disposed Charlie Lake volumes with higher margin Clearwater barrels. As the waterflood development expands, the Company also expects to further enhance recovery factors, reduce corporate decline rates and improve long-term capital efficiency.

Tamarack has assembled one of the largest Clearwater land positions, with more than 900 sections of land and an estimated inventory of over 2,100 drilling locations[2]. Tamarack land holdings are estimated to contain 12 billion barrels of original oil in place[2] in the Clearwater formation and at the end of Tamarack's forward-looking five-year plan, the Company expects to have produced less than 2% of that oil. The Company believes its extensive drilling inventory, combined with continued waterflood expansion and exploration upside at Seal and Pelican Lake, provides decades of high-quality development runway.

Currently, approximately 26% of Clearwater production and 37% of Clearwater PDP reserves are under waterflood, with the Company targeting continued expansion through its accelerated 2026 development program. Tamarack expects these initiatives to further strengthen asset durability, free funds flow[1] resiliency and long-term shareholder returns across commodity price cycles.

Charlie Lake Divestiture

Tamarack is divesting of its Charlie Lake assets for cash consideration of $804.0 million before closing adjustments. The Transaction has an effective date of April 1, 2026 and is expected to close near the end of the second quarter, subject to customary closing conditions and regulatory approvals. The Charlie Lake assets currently produce approximately 18,000 boe per day (67% liquids) and represent ~26% of Tamarack's corporate production. The Transaction reflects a strong cash return on invested capital(1) of >70% for the Charlie Lake assets since 2021.

Pure-Play Clearwater Outlook

The Charlie Lake divestiture is expected to strengthen numerous profitability metrics in the business, including:

- Field operating netbacks(1) are expected to improve by $2-$4 per boe, depending on commodity prices, primarily due to a higher liquids weighting and lower net operating expenses(1) on a per barrel basis in the Clearwater.
- Corporate decline rates(2) are expected to improve by 4% and the corporate sustaining capital(1) requirements are expected to decline by more than 25% to less than $200 million.
- For 2026, the Company's pro forma free funds flow breakeven cost(1) is expected to decline by US$2 per barrel (unhedged) to US$38 per barrel WTI, inclusive of the upsized dividend. On a hedged basis, the free funds flow breakeven cost is expected to decline by US$7 per barrel to US$28 per barrel WTI.
- In 2025, the finding and development costs(2) of the Clearwater assets were approximately half that of the Charlie Lake. Together with a >6x recycle ratio(2), the Clearwater provides Tamarack with superior per barrel profit margins and lower sustaining capital(1) reinvestment requirements.

Following the sale, Tamarack is expected to carry forward pro forma standalone Clearwater production of >54,000 boe per day (92% liquids) and 208 MMBoe of total proved and probable reserves(2).

2026 Outlook

For the year ended December 31, 2026	Original guidance (Dec. 3, 2025)	**Revised guidance (May 27, 2026)**
Capital program ($ millions)		
Clearwater and other		**390 - 400**
H1/26 Charlie Lake		**40 - 50**
Capital investments	390 - 410	**430 - 450**
Production (boe/d)		
Clearwater		**53,500 - 55,000**
H1/26 Charlie Lake (annualized)		**8,500 - 9,000**
Annual average production(2) (boe/d)	69,000 - 71,000	**62,000 - 64,000**
Average oil & NGL weighting (%)	84 - 86	**88 - 90**
Royalty rate (%)	19 - 21	**20 - 22**
Corporate wellhead price differential – Oil ($/bbl)	1.00 - 1.50	**0.75 – 1.25**
Net operating expense(1) ($/boe)	6.85 - 7.15	**6.65 – 6.90**
Transportation ($/boe)	4.00 - 4.50	**4.00 - 4.50**
Interest ($/boe)	2.70 - 3.10	**2.00 - 2.40**
General and administrative ($/boe)	1.30 - 1.45	**1.40 - 1.55**
Income taxes (% of adjusted funds flow(1) before tax)	10 - 12	**17 - 19**

For the full year, Tamarack's 2026 capital investment program is now expected to be $430 - $450 million, reflecting the impact of an acceleration of investment in the Clearwater, partially offset by the Charlie Lake divestiture. Tamarack is expanding the capital program in the Clearwater fairway by ~$75 million with ~40% of the expansion dedicated towards secondary waterflood recovery. The Company now expects to exit 2026 with water injection rates of 70,000 bbl per day, a 16% increase over the original budget and have over 38% of Clearwater oil production under waterflood. The Company remains nimble and has the ability to further flex the 2026 capital program if the current commodity price strength remains.

As a result of the Transaction, Tamarack expects run-rate net operating expenses(1) to decline by approximately 14% to ~$6.00 per boe. Interest expense is also expected to decline following the anticipated repayment of outstanding borrowings under the Credit Facility using a portion of the divestiture proceeds. General and administrative expense on a per boe basis is expected to increase modestly due to lower average production volumes for the year, while income taxes are expected to increase primarily as a result of taxes associated with the divestiture and higher assumed commodity prices.

The Company remains opportunistic with significant optionality and balance sheet strength to pursue and maximize the total return to shareholders(1) across commodity price cycles. In the near-term, the Company expects to continue executing a disciplined capital management strategy targeting a balanced allocation of accelerated growth in the Clearwater and enhanced shareholder returns in the form of dividends and share buybacks. Commencing in the third quarter of 2026, the Company is announcing a 25% increase to its quarterly dividend from $0.04/share to $0.05/share ($0.20/share annualized).

Credit Facility Renewal and Extension

Tamarack has access to a covenant-based $875 million revolving credit facility with a syndicate of lenders that was maturing on April 30, 2028. The Company also has the ability to access an incremental $125 million of secured debt, subject to certain conditions, including approvals from the lending syndicate. In conjunction with the Charlie Lake divestiture, Tamarack has secured commitments from its lending syndicate to maintain the existing capacity and extend the facility maturity date by two years to May 29, 2030 (four-year term). The revised indenture also includes a partial easing of certain covenants and restrictions in line with the Company's improved credit profile and market comparables. Following the sale, Tamarack is expecting to exit the second quarter of 2026 with available funding of more than $1.3 billion, including cash on hand of >$400 million and the undrawn credit facility.

The sale of the Charlie Lake assets is not expected to impact the Company's current corporate credit rating as issued by S&P (Corporate: B+, senior unsecured notes: BB-).

Investor Call & Letter to Shareholders

Tamarack will host a webcast at 8:30 AM MDT (10:30 AM EDT) on Thursday May 28, 2026, to discuss the Charlie Lake divestiture. Tamarack has also published a Letter to Shareholders which further discusses Tamarack's strategic thinking. Participants can access the live webcast and Letter to Shareholders through links provided on the Company's website. An archive of the webcast will also be made available on Tamarack's website.

Advisors

National Bank Capital Markets is acting as exclusive financial advisor to Tamarack with respect to the Transaction. RBC Capital Markets is acting as strategic advisor, and Stikeman Elliott LLP is acting as legal counsel.

About Tamarack Valley Energy Ltd.

Tamarack is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. The Company has transitioned to become a pure-play Clearwater heavy oil producer, currently developing heavy oil positions at Nipisi, Marten Hills and South Clearwater. Tamarack holds an extensive inventory of low-risk, oil development drilling locations and is pursuing enhanced oil recovery upside across the Company's core asset areas. Tamarack is committed to creating long-term value for its shareholders through sustainable free funds flow generation, financial stability and the return of capital. The Company is publicly traded on the Toronto Stock Exchange under the symbol "TVE". For more information, visit www.tamarackvalley.ca.

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Reader Advisories

Selected financial and operating information should be read with Tamarack's unaudited interim consolidated financial statements and related management's discussion and analysis for the period ended March 31, 2026, which are available on SEDAR+ at www.sedarplus.ca and on Tamarack's website at www.tamarackvalley.ca.

Notes to News Release

1. See "Specified Financial Measures".
2. See "Disclosure of Oil and Gas information".

Disclosure of Oil and Gas Information

Units of measurement

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.

Corporate decline rate

The news release contains metrics commonly used in the oil and natural gas industry, such as corporate decline rate. "Corporate decline rate" represents the percentage decline of the Company's production base, excluding the production from new wells drilled in the year. Corporate decline rate is not a financial measure and does not have a standardized meaning under NI 51-101. This term has been calculated by management and does not have a standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons. Management uses this oil and gas metric for its own performance measurements and to provide shareholders with a measure to compare Tamarack's operations over time. Readers are cautioned that the information provided by these metrics should not be relied upon for investment purposes. Tamarack's corporate decline rate is based on primary and waterflood type curves that are internally estimated by the Company's management and represents estimates of the production decline and ultimate volumes expected to be recovered from wells over the life of the well. The type curves represent what management believes an average well will achieve, based on methodology that is analogous to wells with similar geological features. Individual wells may be higher or lower but over a larger number of wells, management expects the average to come out to the type curve. Over time type curves can and will change based on achieving more production history on older wells or more recent completion information on newer wells. Such type curves are useful in understanding management's assumptions of well performance in making investment decisions in relation to development drilling in such areas and for determining the success of the performance of development wells. However, internally prepared type curves do not reflect the type curves used by our independent qualified reserves evaluator in estimating Tamarack's reserves volumes and such type curves have not been assigned reserves or resources. There is no certainty that Tamarack will ultimately recover the internal type curve volumes from the wells it drills. Actual results may vary materially from both primary and waterflood incremental curve estimates.

Product Types

References in this news release to “crude oil” or “oil” refer to light, medium and heavy crude oil product types as defined by NI 51-101. References to “NGL” throughout this news release comprise pentane, butane, propane, and ethane, being all NGL as defined by NI 51-101. References to “natural gas” throughout this news release refer to conventional natural gas as defined by NI 51-101. Clearwater production volumes on a standalone total boe per day basis are comprised of approximately 91% heavy oil, 1% NGLs and 8% natural gas. Charlie Lake production volumes on a standalone total boe per day basis are comprised of approximately 55% light oil, 12% NGLs and 33% natural gas. Original corporate production guidance on a total boe per day basis is comprised of approximately ~68% heavy oil, ~13% light oil, ~4% NGL and ~15% natural gas. Revised corporate production guidance on a total boe per day basis is comprised of approximately ~79% heavy oil, ~8% light oil, ~2% NGL and ~11% natural gas.

Annual Information Form

Tamarack’s Statement of Reserves Data and Other Oil and Gas Information on Form 51-101F1 dated effective as at December 31, 2025, which includes further disclosure of Tamarack’s oil and gas reserves and other oil and gas information in accordance with NI 51-101 and COGEH forming the basis of the news release, is included in the Annual Information Form which is available on SEDAR+ at www.sedarplus.ca or the Company’s website at www.tamarackvalley.ca.

Reserves and Future Net Revenue Disclosures

All reserves values, future net revenue and ancillary information contained in the news release are derived from the Reserve Reports unless otherwise noted. All reserve references in the news release are "Company Gross Reserves". Company Gross reserves defined as working interest share of reserves prior to royalty deductions. Estimates of reserves and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves and future net revenue for all properties, due to the effect of aggregation. There is no assurance that the forecast price and cost assumptions applied by McDaniel in evaluating Tamarack's reserves will be attained and variances could be material. All reserves assigned in the Reserve Reports are located in the Province of Alberta.

All evaluations and summaries of future net revenue are stated prior to the provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. The recovery and reserve estimates of crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth herein are estimates only.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Proved developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned. Certain terms used in the news release but not defined are defined in NI 51-101, CSA Staff Notice 51-324 – Revised Glossary to NI 51-101 ("CSA Staff Notice 51-324") and/or the COGEH and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, CSA Staff Notice 51-324 and the COGEH, as the case may be.

Resources disclosure

Tamarack's heavy oil Clearwater contingent resource and prospective resource estimates contained herein were derived from the Resource Report prepared by McDaniel, a qualified independent resource evaluator, effective as of December 31, 2025, in accordance with the definitions, standards and procedures contained in NI 51-101 and COGEH. The contingent and prospective resources estimate of Tamarack’s Clearwater heavy oil contingent resources provided herein are estimates only and there is no guarantee that the estimated prospective and contingent resources will be recovered. Actual resources may be greater than or less than the estimates provided herein and the differences may be material. Tamarack's Statement of Contingent and Prospective Resources dated February 24, 2026, which has been filed on SEDAR+ at www.sedarplus.ca, includes further disclosure of Tamarack’s contingent and prospective resources, including the risks and uncertainties related thereto. Contingent resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as "contingent resources" the estimated discovered recoverable quantities associated with a project in the early project stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status. Prospective resources are those quantities of heavy oil estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates, assuming their discovery and development, and may be subclassified based on project maturity. Estimates of prospective resources have not been adjusted for risk based on the chance of discovery or the chance of development. Resources are classified according to degree of certainty associated with those estimates. In the news release, "best estimate” classification is used which is considered to be the best estimate of the quantity of resources that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. Those resources identified as best estimate have a 50 percent probability that the actual quantities recovered will equal or exceed the estimate.

The news release may disclose Clearwater drilling locations in two categories: (i) booked locations; and (ii) unbooked locations. Booked locations are proved and probable locations derived from the McDaniel Reserve Report prepared in accordance with NI 51-101 and the most recent publication of the COGE Handbook. Unbooked locations do not have attributed reserves. However, the unbooked Clearwater locations have attributed contingent or prospective resources, based on the Resource Report. Of the Clearwater inventory of 2,133 (net) drilling locations identified herein, 520 (net) are proved or probable locations, and 1,613 (net) are unbooked locations. Unbooked locations have been identified by management as an estimation of the Company’s multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company actually drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Original oil in place

The term “original oil in place” or OOIP is that quantity of petroleum that is estimated to originally exist in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. A portion of the OOIP is considered undiscovered and there is no certainty that any portion of such undiscovered resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of such undiscovered resources. With respect to the portion of the OOIP that is considered discovered resources, there is no certainty that it will be commercially viable to produce any portion of such discovered resources. A significant portion of the estimated volumes of OOIP will never be recovered. OOIP disclosed herein in respect of the Company’s Clearwater assets by area and in aggregate was internally estimated by the Company's management. There is no certainty management's OOIP estimates were prepared in accordance with the COGE Handbook. The estimates may not be comparable to similar measures presented by other companies and therefore should not be used to make such comparisons.

Definition of Reserves Metrics

The news release contains metrics commonly used in the oil and natural gas industry, such as development capital, F&D costs, FD&A costs and recycle ratio. "Development capital" means the aggregate exploration and development costs incurred in the financial year on reserves that are categorized as development. Development capital presented herein excludes land and capitalized administration costs but includes the cost of acquisitions and capital associated with acquisitions where reserve additions are attributed to the acquisitions.

"Finding and development costs" or "F&D costs" are calculated as the sum of field capital plus the change in FDC for the period divided by the change in reserves that are characterized as development for the period and "finding, development and acquisition costs" are calculated as the sum of field capital plus acquisition capital plus the change in FDC for the period divided by the change in total reserves, other than from production, for the period. Both finding and development costs and finding development and acquisition costs take into account reserves revisions during the year on a per boe basis. The aggregate of the exploration and development costs incurred in the financial year and changes during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year. Finding and development costs both including and excluding acquisitions and dispositions have been presented in the news release because acquisitions and dispositions can have a significant impact on Tamarack's ongoing reserves replacements costs and excluding these amounts could result in an inaccurate portrayal of the Company's cost structure. "Finding, development and acquisition costs" or "FD&A costs" incorporate the change in FDC required to bring proved undeveloped and developed reserves into production. In all cases, the FD&A number is calculated by dividing the identified capital expenditures by the applicable reserves additions after changes in FDC costs. The Clearwater F&D metric reported in the news release includes a proportionate share of general and administrative costs based on the TPP reserve volume weighting of 74% (% of total TPP reserves).

"Recycle ratio" is measured by dividing the operating netback for the applicable period by F&D cost per boe for the year. The recycle ratio compares netback from existing reserves to the cost of finding new reserves and may not accurately indicate the investment success unless the replacement reserves are of equivalent quality as the produced reserves.

These terms have been calculated by management and do not have a standardized meaning and may not be comparable to similar measures presented by other companies and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Tamarack's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in the news release, should not be relied upon for investment or other purposes.

Forward Looking Information

This news 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 “budget”, “guidance”, “outlook”, “anticipate”, “target”, “plan”, “continue”, “intend”, “consider”, “estimate”, “expect”, “may”, “will”, “should”, “could” or similar words (including negatives or grammatical variations) suggesting future outcomes. More particularly, this news release contains statements concerning: Tamarack’s business strategy, objectives, strength and focus; the Company’s exploration and development plans and strategies; use of proceeds from the Transaction, including the elimination of the Company’s net debt position; the Transaction strengthening the balance sheet and providing meaningful accretion of debt-adjusted free funds flow per share across Tamarack’s five-year plan and enhancing profitability; the Company’s transition to a pure-play Clearwater producer upon completion of the Transaction; expected pro forma net cash position, available liquidity, available funding and cash on hand following the Transaction; the divestiture providing enhanced capital allocation flexibility to support shareholder returns; the announced dividend increase and commencement thereof in the third quarter of 2026; the Company’s disciplined capital management strategy, including the balanced allocation of accelerated growth, dividends and share buybacks; Clearwater H2 budget expansion plans; expected growth in Clearwater production; expected liquidity and credit facility capacity; ability to bring forward highly economic development opportunities in the Clearwater; potential asset duration, including the Company’s estimated drilling inventory and decades of development runway; ability to enhance recovery factors, reduce corporate decline rates and improve long-term capital efficiency; expected waterflood expansion targets, including water injection rates and the percentage of Clearwater production under waterflood; timing of closing of the Transaction; the implied divestiture transaction metrics; expecting to replace more than the disposed Charlie Lake volumes with higher margin Clearwater barrels; expectations that the Transaction will strengthen numerous profitability metrics in the business, including expected improvements to field operating netbacks, corporate decline rates, sustaining capital requirements and free funds flow breakeven costs; expected reductions in run-rate operating expenses and interest expense and expected changes to general and administrative expense and income taxes following the Transaction; expectations relating to finding and development costs and recycle ratios; expectations of pro forma standalone Clearwater production and reserves following the sale; the revised 2026 full year capital guidance; expected asset durability, free funds flow resiliency and long-term shareholder returns across commodity price cycles; closing of the Credit Facility renewal including extension of the term by two years to May 29, 2030 and partial easing of certain covenants and restrictions; and expectations that the Transaction will not impact the current corporate credit rating.

Future dividend payments and share buybacks, if any, and the level thereof, are uncertain, as the Company’s return of capital framework and the funds available for such activities 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 strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company’s control. Further, the ability of Tamarack to pay dividends and buyback shares 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 those relating to: the satisfaction of all conditions to the completion of the Transaction; the business plan of Tamarack; execution of the Company's 2026 budget; the timing of and success of future drilling, conversion, development and completion activities; the geological characteristics of Tamarack's properties; prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products; the realization of anticipated benefits of the Company's infrastructure, waterflood development program and recent acquisitions and divestitures; 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 performance of new and existing wells; the application of existing drilling and fracturing techniques; the Company's ability to secure sufficient amounts of water; 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: the risk that the Transaction will not be completed on the terms anticipated or at all, including due to a closing condition not being satisfied; the risk that the Company utilizes the proceeds from the Transaction other than in the manners described in this news release; risks with respect to unplanned third party pipeline outages and risks relating to inclement and severe weather events and natural disasters, such as fire, drought and flooding, including in respect of safety, asset integrity and shutting-in production; the risk that future dividend payments thereunder are reduced, suspended or cancelled; incorrect assessments of the value of benefits to be obtained from 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); the risk that (i) the U.S. and Canadian governments maintain tariffs, increase the rate or scope of tariffs, or impose new tariffs on the import of goods from one country to the other, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed by the U.S. on other countries and responses thereto could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Company; commodity prices, including the impact of the actions of OPEC and OPEC+ members; risks relating to reliance on third parties; 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; and pandemics. In addition, ongoing military actions in Venezuela, Iran and elsewhere in the Middle East and between Russia and Ukraine have the potential to threaten the supply of oil and gas from those regions. The long-term impacts of the actions between these nations remains uncertain. Due to the nature of the oil and natural gas industry, drilling plans and operational activities may be delayed or modified to respond to market conditions, results of past operations, regulatory approvals or availability of services causing results to be delayed. Please refer to the most recent annual information form and management's discussion and analysis of the Company, 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.sedarplus.ca. The forward-looking statements contained in this news 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 statements, except as required by law. The forward-looking statements contained herein are qualified by this cautionary statement.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about generating sustainable long-term growth in free funds flow, dividends, share buybacks and debt reduction, the 2026 budget and revised outlook, guidance and budget pricing and allocation, the revised 2026 capital program and accelerated Clearwater investment, including prospective results of operations, production, free funds flow, operating costs (including net operating expenses, transportation, general and administrative expenses and interest expense), royalty rates, oil and NGL weighting, corporate wellhead price differentials, income taxes, field operating netbacks, corporate decline rates, sustaining capital requirements, free funds flow breakeven costs (on both a hedged and unhedged basis), finding and development costs, recycle ratios, expected dividend payments, pro forma net cash position, available funding and available liquidity, pro forma standalone Clearwater production and reserves, waterflood expansion targets (including expected water injection rates and the percentage of Clearwater production under waterflood), total return to shareholders and balance sheet strength, and components thereof, including pro forma the completion of the Transaction, 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 commodity prices, differences in the timing and allocation of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Tamarack's guidance. Actual results may differ materially from these estimates.

Specified Financial Measures

This news release includes various specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios, capital management measures and supplemental financial 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.

Net operating expenses (Non-IFRS Financial Measure and Non-IFRS Financial Ratio if calculated on a per boe basis) is calculated as operating expenses less processing income. Tamarack generates processing income from third parties that utilize excess capacity at Tamarack's facilities. If Tamarack has excess capacity at one of its facilities, the Company will seek to process third-party volumes as a means of offsetting a portion of the facility costs. Accordingly, net operating expenses allow Tamarack and others to assess the profitability of field operating results by including the associated income generated from plant operations.

Adjusted funds flow (capital management measure) is defined as cash provided by operating activities excluding asset retirement obligation expenditures, transaction costs and changes in non-cash working capital. Asset retirement obligation expenditures and transactions costs from business combinations both result from the Company's capital budgeting and strategic planning processes, which first considers available adjusted funds flow. Asset retirement obligation expenditures vary from period to period depending on capital programs, government regulations and the maturity of the Company's operating areas. By also excluding changes in non-cash working capital from cash provided by operating activities, the adjusted funds flow measure provides a meaningful metric for Tamarack and others by establishing a clear link between the Company's cash flows, income statement and operating netbacks by isolating the impact of changes in the timing between accrual and cash settlement dates, which can often be within management's control. Tamarack uses adjusted funds flow to assess the Company's financial performance and cash generated from operating activities.

Free funds flow (capital management measure) is defined as adjusted funds flow less investments in oil and natural gas assets (excluding acquisitions and dispositions) and the settlement of asset retirement obligations. Management utilizes free funds flow to assess how much cash was generated in excess of Tamarack's capital investment and asset retirement programs in the same period, which can be utilized to reduce debt, fund acquisitions or return capital.

Available funding (capital management measure) is calculated as the sum of undrawn credit capacity under the Company's credit facility and cash, accounts receivable, prepaid expenses and deposits, cross-currency swap liability (asset), assets held for sale (net), accounts payable and accrued liabilities. Tamarack and others utilize available funding to assess the amount of funds that could be available to the Company in the near term to fund capital management initiatives.

Net debt (cash) (capital management measure) is calculated as the sum of the Company's debt, government loans and other, cash, accounts receivable, prepaid expenses and deposits, cross-currency swap liability (asset), assets held for sale (net), accounts payable and accrued liabilities. Tamarack and others utilize net debt to assess liquidity and balance sheet strength by aggregating the select financial assets and financial liabilities on the balance sheet.

Operating netback equals total oil and natural gas sales, including realized gains and losses on commodity hedges, less royalties, net operating expenses and transportation expenses. Field Operating Netback equals total oil and natural gas sales, less royalties, net operating expenses and transportation expenses. These metrics can also be calculated on a per boe basis, which results in them being considered a non-IFRS financial ratio. Management considers operating netback and field operating netback important measures to evaluate performance by asset area by isolating the impact of corporate and other overhead related expenditures.

Cash return on invested capital (Non-IFRS Financial Measure) is calculated as the sum of field operating netbacks generated since inception and the gross proceeds of divestment divided by the original net cost of asset acquisitions and development. Management utilizes the cash return on invested capital measure in this news release to provide a measure of how much cash was generated from the Charlie lake assets, relative to the Company's original capital investment in the play, excluding the impact of discounting, taxes and general and administrative costs. The cash return on invested capital from the sale of Charlie Lake of >70% reported in this news release was calculated as field operating netbacks since inception of $1.1 billion plus gross proceeds from the disposal net of transaction costs, divided by the Company's original net acquisition and development costs of $1.1 billion.

Sustaining capital (supplementary financial measure) represents management's estimate of annual capital investments required to maintain corporate production at prior period levels. This measure allows Management and others to assess the approximate composition of Tamarack's annual capital investment programs and its corporate financial sustainability. Sustaining capital is also utilized to calculate the Company's free funds flow breakeven cost.

Free funds flow breakeven cost (capital management measure) reflects the average minimum WTI price (US per bbl) received by Tamarack where adjusted funds flow net of the base dividend and sustaining capital requirements is approximately equivalent to zero, with sustained current hedged production levels and all other variables held constant. Management believes that free funds flow breakeven provides a useful measure to establish corporate sustainability.

The calculation of Tamarack's original 2026 free funds flow breakeven cost of US$35 per bbl was primarily determined by utilizing the ranges within the original guidance assumptions included in the news release, other than for capital investments, which utilize the Company's sustaining capital requirements of $265.0 million under an assumed scaled-budget, break-even price scenario, and average royalty rates which would be expected to decline to 14 – 15% at WTI price of $35 per bbl. Other assumptions utilized by the Company to calculate the free funds flow breakeven cost includes annual dividends of $0.16 per share, hedging gains of $4.67 per boe and asset retirement obligation expenditures of $5.0 million.

The calculation of Tamarack's pro forma free funds flow breakeven cost of US$28 per bbl following the Charlie Lake sale was primarily determined by utilizing the implied H2 ranges within the revised guidance assumptions included in this news release, other than for capital investments, which utilize the Company's revised sustaining capital requirements of <$180 million under an assumed scaled-budget, break-even price scenario, and average royalty rates which would be expected to decline to 12 – 13% at WTI price of $28 per bbl. Other assumptions utilized by the Company to calculate the free funds flow breakeven cost includes annual dividends of $0.20 per share, hedging gains of $11.00 per boe and asset retirement obligation expenditures of $5.0 million.

Total return to shareholders provides an estimate of the total return generated for shareholders on a percentage basis by aggregating certain select metrics consisting of production growth, dividends, share buybacks and net debt reduction. The return from production growth is calculated as the year-over-year % change in production, dividend growth is based on the yield during year relative to TVE's average market capitalization, share buybacks is calculating as the number of shares purchased in the year divided by TVE's opening common share count and net debt reduction is based on the year-over-year net debt decline relative to TVE's average market capitalization.

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

Abbreviations

bbl(s)	barrel(s)
bbls/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Mboe	thousand barrels of oil equivalent
MMboe	million barrels of oil equivalent
NGL	natural gas liquids
NPV-10	Net present value of cash flows discounted at rate of 10% per annum
OOIP	Original oil in place
PDP	Proved, developed, producing
TP	total proved reserves
TPP	Total proved and probable reserves
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade