May 27, 2026

LETTER TO SHAREHOLDERS

I am thrilled with today's announcement marking the completion of our transition into a pure-play Clearwater producer, the most economic and fastest growing resource play in North America. Tamarack's vision is to be the most profitable Canadian energy producer with lasting inventory, and our mission is to generate long-term sustainable value for shareholders. The Charlie Lake divestiture provides the Company with significant optionality and balance sheet strength to pursue higher total returns to shareholders through a combination of accelerated growth and waterflood investment in the heart of the profitable Clearwater fairway, disciplined share buybacks, an enhanced base dividend and net debt[1] elimination.

Portfolio optimization has served to lower corporate sustaining capital requirements, lower breakeven prices, lower operating costs, lower non-productive asset retirement obligations, lower net debt, boost netbacks and improve capital efficiencies. The Charlie Lake divestiture continues to drive this process forward.

Earlier this year we initiated a strategic review of our Charlie Lake asset. In our view, Tamarack's share price did not reflect the full value of these assets based on a sum-of-the-parts assessment of our business. The implication was an opportunity for us to capture more value for shareholders through further portfolio optimization. We engaged in a competitive bid process which ultimately resulted in the divestment of our Charlie Lake assets for $804.0 million before closing adjustments -- a tremendous result for Tamarack yielding a cash return on invested capital[1] of >70% since entering the play in 2021.

Tamarack's corporate transformation started in 2020 with a clean balance sheet and strong hedge book. Using long-term debt adjusted free funds flow per share as our guide, we looked for western Canadian plays that offered high profit to investment ratios and quick, multiple payouts in comparison to our existing Viking and Cardium assets. We entered the Clearwater in 2020 and Charlie Lake in 2021, both with an anchor and build approach using M&A, crown land sales and the drill bit to grow our initial positions. Four years ago, we levered up to acquire a premium position in the Clearwater, a calculated risk worth taking. The business case for expanding into the Clearwater in 2022 was strong. We already had deep expertise in oil developments through primary development and secondary recovery schemes. The proven economics of the Clearwater also competed with our existing plays even without secondary waterflood expansion. Our production and reserves[2] in the Clearwater play have since more than doubled since 2022:

Tamarack's Clearwater holdings	2021	2022	2023	2024	2025	Q1 2026
Clearwater production (boe/d)	4,600	16,400	37,500	41,300	47,300	**53,000**
Proved and probable reserves (Mboe)	17,300	88,000	112,500	133,000	207,800	**N/A**

Substantial outperformance in the Clearwater over these past few years through higher production, improving netbacks and reserve growth has allowed us to divest of our lower margin assets in non-core areas, while advancing the more profitable, longer duration asset development opportunities. This portfolio optimization has served to lower corporate sustaining capital requirements, lower breakeven prices, lower operating costs, lower non-productive asset retirement obligations, lower net debt[2], boost netbacks and improve capital efficiencies. The Charlie Lake divestiture continues to drive this process forward.

The Charlie Lake divestiture provides the Company with significant optionality and balance sheet strength to pursue higher total returns to shareholders.

By all measures, the Charlie Lake was a great asset relative to many other plays in the basin. But, the Charlie Lake could not compete for capital nor keep pace with the prolific metrics that continue to surprise to the upside in the Clearwater. The Charlie Lake divestiture gives us full value for the asset while allowing us to bring forward a back-log of more highly-accretive development opportunities in the Clearwater. In our five-year plan, we expect to replace more than the disposed Charlie Lake volumes with higher margin Clearwater barrels. Within our core acreage, we estimate there are ~25 years of development potential between primary and secondary drilling opportunities. Simply put, we have a lot of wood to chop in what has transformed into a generational oil play.

The Company currently holds over 200 million barrels of proved and probable Clearwater reserves with substantial running room for more growth and delineation to come. Our lands have an estimated 12 billion barrels of original oil in place in the Clearwater formation and at the end of our forward-looking five-year plan, we expect to have produced less than 2% of this oil. With the continued implementation of waterflood, there is potential to materially enhance recovery across much of the acreage. Advancing technologies and reservoir learnings in the pursuit of even higher recovery factors will be key focus for us moving forward as we seek to capture more of the vast resource under our feet.

Beyond our core developments, we continue to expand our footprint through land acquisition and exploration activities. Over the past few years, we have acquired positions at Seal and Pelican Lake with prospective targets in the Wabiskaw and Clearwater formations. The plays represent meaningful optionality to further enhance per share value to shareholders on success. Our H2 2026 program now includes additional investment at Pelican.

I am often asked how we make our key business decisions – both pulling the trigger on acquisitions or divestitures and how we allocate capital. We look at A&D the same way: how does the transaction impact our long-term debt adjusted free funds flow per share? We will bring in strategically aligned assets that improve our plan while we sell assets if we can get a price higher than they are currently worth in our plan. For capital allocation, our focus is on maximizing per share value in the environment we are in. At different commodity prices, maximizing that value may be through organic growth or buying back our shares. We do not control the price of what we sell, so we must always prioritize being a low-cost producer in our commodity business.

I am also asked what defines Tamarack's culture. We focus on three pillars: creating value for shareholders, being a learning organization and enjoying work in a safe environment. We are a public company which means we use other people's money, therefore, serving our shareholders must be front of mind. We always want our people to be developing and innovating in order for Tamarack to continuously improve how we go about our business. No one wants to work at a place where they aren't safe or enjoying themselves. I am proud of how we have balanced these three pillars over the last few years with the results being seen in our corporate metrics and low voluntary turnover.

Thank you to our shareholders, employees, service and capital providers for your ongoing support.

Brian Schmidt
Founder and Chief Executive Officer
Tamarack Valley Energy Ltd.

Notes to the Letter to Shareholders

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.

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 letter to shareholders, 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.

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.

Forward Looking Information

This letter to shareholders 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 letter to shareholders contains statements concerning: Tamarack's business strategy, objectives, strength and focus; the Company's exploration and development plans and strategies; the divestiture providing significant optionality and balance sheet strength to maximize total returns to shareholders; ability to bring forward highly accretive development opportunities in the Clearwater; potential asset duration; ability for Clearwater to support over 25 years of activity; estimated recovery factors of estimated oil in place in the Clearwater formation; expects to replace more than the disposed Charlie Lake volumes with higher margin Clearwater barrels; ability for exploration targets to enhance per share value with success; timing of closing of the Charlie Lake divestiture; the implied divestiture transaction metrics; expectations that the Charlie Lake divestiture will strengthen numerous profitability metrics in the business. 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 Charlie Lake Divestiture; 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 Charlie Lake Divestiture 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 Charlie Lake Divestiture other than in the manners described in this letter to shareholders; 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 letter to shareholders 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.

Specified Financial Measures

This letter to shareholders includes reference to 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 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 Company's balance sheet.

Field Operating Netback equals total oil and natural gas sales, less royalties, net operating expenses and transportation expenses. Management considers field operating netback an important measure 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 letter to shareholders 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 letter to shareholders 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.

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.