



Tamarack Valley Energy Announces Monthly Dividend Declaration, NCIB Renewal and Initiation of Enhanced Shareholder Returns

Calgary, Alberta – January 16, 2024 – Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") (TSX: **TVE**) is pleased to announce the declaration of its monthly dividend, renewal of its normal course issuer bid ("**NCIB**") and achievement of the first debt threshold under the Company's previously disclosed return of capital framework.

Dividend Declaration

Tamarack's Board of Directors has declared a monthly cash dividend on its common shares ("**Common Shares**") of C\$0.0125 per share in accordance with the Company's dividend policy. The dividend will be payable on February 15, 2024, to shareholders of record at the close of business on January 31, 2024. This monthly cash dividend is designated as an "eligible dividend" for Canadian income tax purposes.

NCIB Renewal

The Toronto Stock Exchange (the "**TSX**") has approved the Company's application to renew its NCIB. Under the previous NCIB, the Company received approval to purchase up to 27,847,033 Common Shares through TSX and alternative Canadian Trading systems, however, zero purchases were made.

The Company had 556,940,664 Common Shares issued and outstanding as at January 8, 2024. The NCIB allows Tamarack to purchase up to 54,649,379 Common Shares of the Company (representing approximately 10% of the 546,493,794 issued and outstanding Common Shares that comprise the public float as of January 8, 2024) over a period of twelve months commencing on January 19, 2024. The NCIB will expire no later than January 18, 2025. The actual number of Common Shares which may be purchased pursuant to the NCIB will be determined by management of the Company. Any Common Shares that are purchased by Tamarack under the NCIB will be cancelled.

Under the NCIB, Common Shares may be repurchased in open market transactions on the TSX or alternative Canadian trading system in accordance with the rules of the TSX governing NCIBs. The price paid by the Company for any such common shares will be the prevailing market price at the time of purchase.

The total number of Common Shares the Company is permitted to reacquire is subject to a daily purchase limit of 623,278 Common Shares, representing 25% of the average daily trading volume of 2,493,112 Common Shares on the TSX calculated for the six-month period ended December 31, 2023. Notwithstanding the daily purchase limit, Tamarack may make one block purchase per calendar week which exceeds the daily repurchase restrictions.

The NCIB will continue to provide an additional tool for the reinvestment of excess free funds flow⁽¹⁾ to increase long-term total shareholder returns. Tamarack believes that at times, the prevailing share price does not reflect the underlying value of the common shares and the repurchase of common shares represents an opportunity to enhance per share metrics. Tamarack remains focused on balancing debt repayment and delivering enhanced returns to shareholders.

Initiation of Enhanced Returns

Tamarack is pleased to announce that exiting 2023, the Company achieved its first debt threshold within its return of capital framework. This milestone is the result of disciplined capital allocation, strategic dispositions and most importantly the success of our ongoing Clearwater and Charlie Lake development programs.

As a result of achieving this key milestone, the Company will be accelerating initiation of the enhanced return, ahead of announcing its 2023 fourth quarter and year-end financial results, utilizing share buybacks given current valuation levels. The Company expects to release its 2023 results prior to the market open on February 28, 2024.

About Tamarack Valley Energy Ltd.

Tamarack is an oil and gas exploration and production company committed to creating long-term value for its shareholders through sustainable free funds flow generation, financial stability and the return of capital. The Company has an extensive inventory of low-risk, oil development drilling locations focused primarily on Charlie Lake, Clearwater and EOR plays in Alberta. Operating as a responsible corporate citizen is a key focus to ensure we deliver on our environmental, social and governance (ESG) commitments and goals. For more information, please visit the Company's website at www.tamarackvalley.ca.

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Reader Advisories

Notes to Press Release

⁽¹⁾ See "Specified Financial Measures"

Forward Looking Information

This press release contains certain forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "guidance", "outlook", "anticipate", "target", "plan", "continue", "intend", "consider", "estimate", "expect", "may", "will", "should", "could" or similar words suggesting future outcomes. More particularly, this press release contains forward-looking statements concerning: the future declaration and payment of dividends and the timing and amount thereof; potential NCIB purchases and the anticipated advantages to shareholders of the NCIB. Future dividend payments, if any, and the level thereof, is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, free funds flow financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tamarack to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack, including relating to: the business plan of Tamarack, the timing of and success of future drilling, development and completion activities; the geological characteristics of Tamarack's properties; the characteristics of recently acquired assets; the successful integration of recently acquired assets into Tamarack's operations; prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products; the availability and performance of drilling rigs, facilities, pipelines and other oilfield services; the timing of past operations and activities in the planned areas of focus; the drilling, completion and tie-in of wells being completed as planned; the performance of new and existing wells; the application of existing drilling and fracturing techniques; prevailing weather and break-up conditions; royalty regimes and exchange rates; 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 future dividend payments thereunder are reduced, suspended or cancelled; that Tamarack will not be able to achieve the anticipated benefits of the NCIB; unforeseen difficulties in integrating of recently acquired assets into Tamarack's operations; incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs; risks associated with the oil and gas industry in general (e.g. operational risks in development, exploration and production; and delays or changes in plans with respect to exploration or development projects or capital expenditures); commodity prices; the uncertainty of estimates and projections relating to production, cash generation, costs and expenses, including increased operating and capital costs due to inflationary pressures; health, safety, litigation and environmental risks; access to volatility in the stock market and financial system; access to capital; pandemics; Russia's military actions in Ukraine; and the Israel-Hamas conflict in Gaza. Due to the nature of the oil and natural gas industry, drilling plans and operational activities may be delayed or modified to react to market conditions, results of past operations, regulatory approvals or availability of services causing results to be delayed. Please refer to the annual information form for the year ended December 31, 2022 and the management's discussion and analysis for the period ended September 30, 2023 (the "**MD&A**") for additional risk factors relating to Tamarack, which can be accessed either on Tamarack's website at www.tamarackvalley.ca or under the Company's SEDAR+ profile on www.sedarplus.ca. The forward-looking statements contained in this press release are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

Specified Financial Measures

This press 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.

"Adjusted funds flow (capital management measure)" is calculated by taking cash-flow from operating activities, on a periodic basis, deducting current income tax expense and interest expense (excluding fees) and adding back income tax paid, interest paid, changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs settled during the applicable period. since Tamarack believes the timing of collection, payment or incurrence of these items is variable. Management believes adjusting for estimated current income taxes and interest in the period expensed is a better indication of the adjusted funds generated by the Company. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Tamarack uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt, pay dividends and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating income per share, which results in the measure being considered a supplemental financial measure. Adjusted funds flow can also be calculated on a per boe basis, which results in the measure being considered a supplemental financial measure.

"Free funds flow (capital management measure)" is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions. Management believes that

free funds flow provides a useful measure to determine Tamarack's ability to improve returns and to manage the long-term value of the business.

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