TVE: TSX-V

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www.tamarackvalley.ca

2014 venture50™

TMX TSX Venture Exchange

Being Sustainable in this Low Price Environment

June 2015

What We Said in November 2014 – January 2015

- Stop spending until we get acceptable payouts / ROR
- Cut CAPEX per well costs by at least 20% though reduction of service costs and well re-designs
- Wait for M&A opportunities at lower prices and more accretive metrics relative to the current lower commodity pricing environment
- Hedge when commodity prices are at levels that allow you to be self sustaining:
  - To protect a drilling program that achieves a payout of 1 year or less
  - Hedge prices at or above planning price to protect balance sheet

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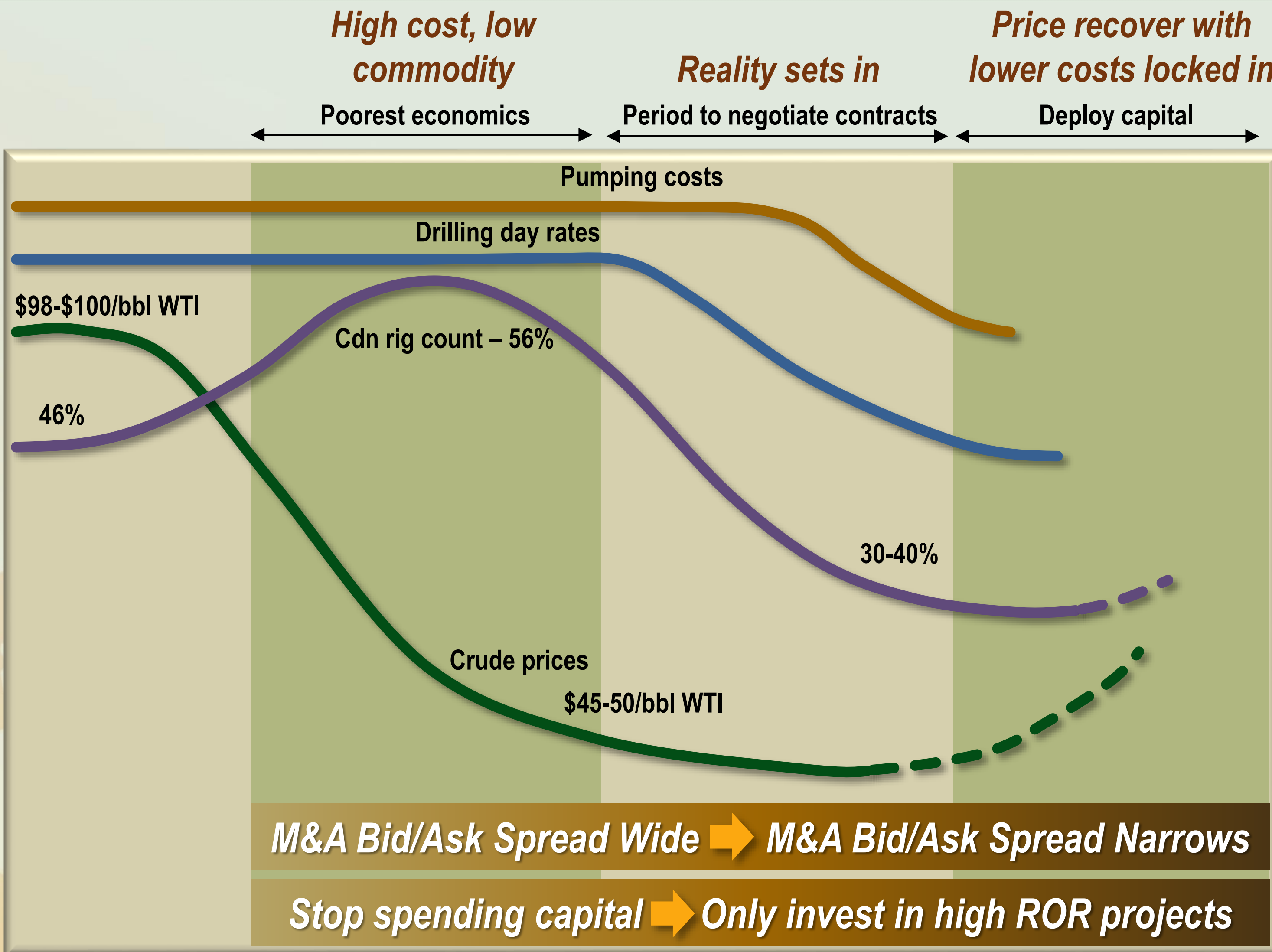
Key Points in this Presentation

- **Wilson Creek acquisition – Sustainable growth at low oil prices**
  - Impressive acquisition metrics
  - Eliminates the budgeted non-drilling capital by adding key infrastructure
  - Adds 70 drill locations, 40 of which have 1 year payback at $60/bbl Edmonton Par
  - Creates a large contiguous block of land that facilitates more superior economical long reach wells
- **Simply following a clear strategic response to declining oil price**
  - With iron parked over break-up capital costs are down 20% to get it working again
  - Operating costs are down 55% in Wilson Creek from mid-2014 levels
  - Hedges are in place to protect ROR on new production that will come on Q4/15
- **Tamarack has demonstrated top decile ROR on its inventory**
  - Recent studies identified TVE as top ROR Cardium oil driller, achieving returns in the top decile in Western Canada
- **Result? Payback is 1.5 years or less – same as pre-oil price downturn**
  - Downturn strategy is being followed the way we outlined in November 2014
- **With over 5 years of quick payback inventory Tamarack has the option to**
  - Grow with the drill bit; or
  - If opportunity presents, divert capital to accretive acquisitions

What Successful Companies do in a Downturn



... Successful companies will deploy capital at the right stage.

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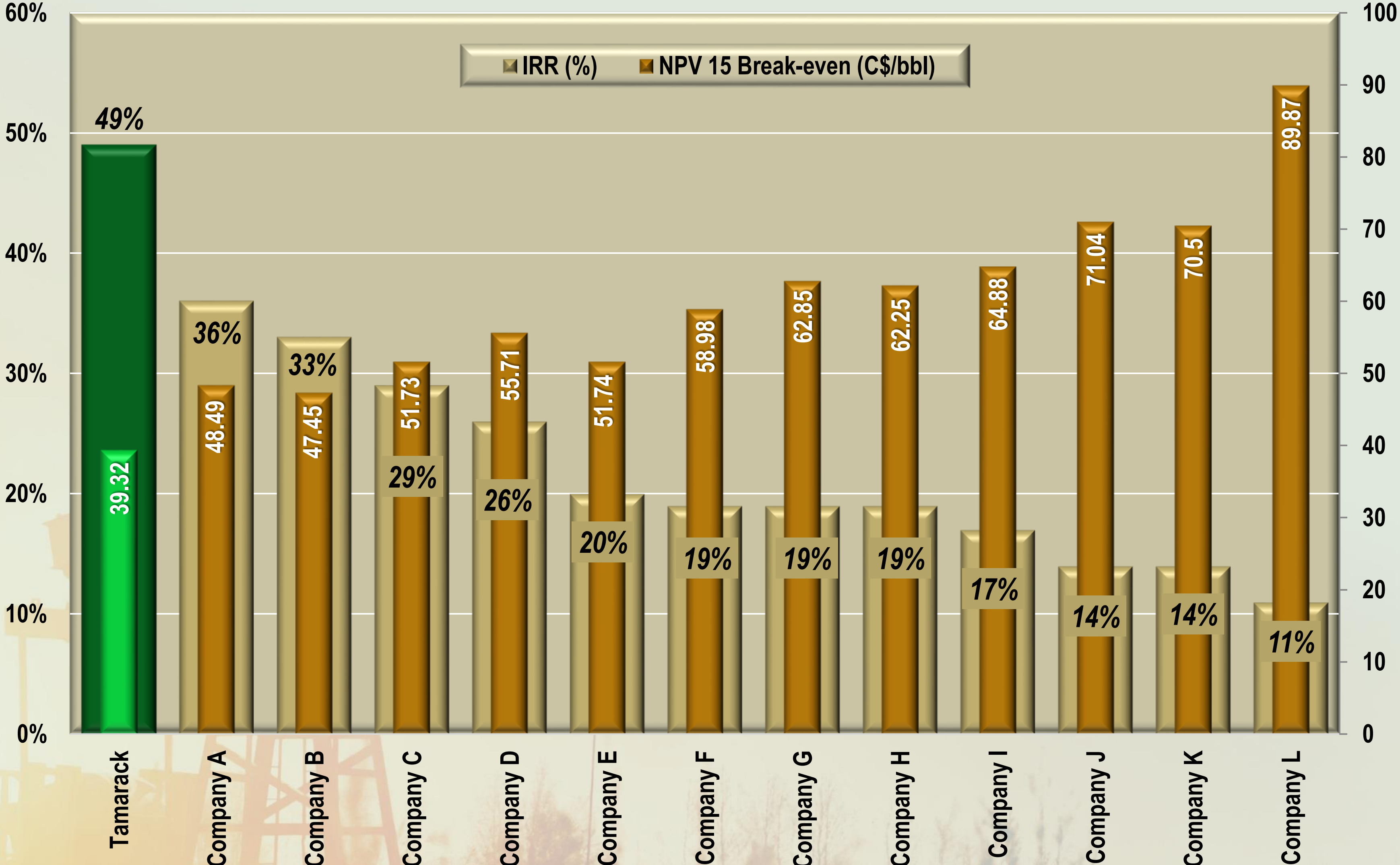
Cardium Oil – TVE is Delivering the Best Economic Returns



Source: Company reports CIBC Word Markets Inc.

... Not all Cardium is the same.

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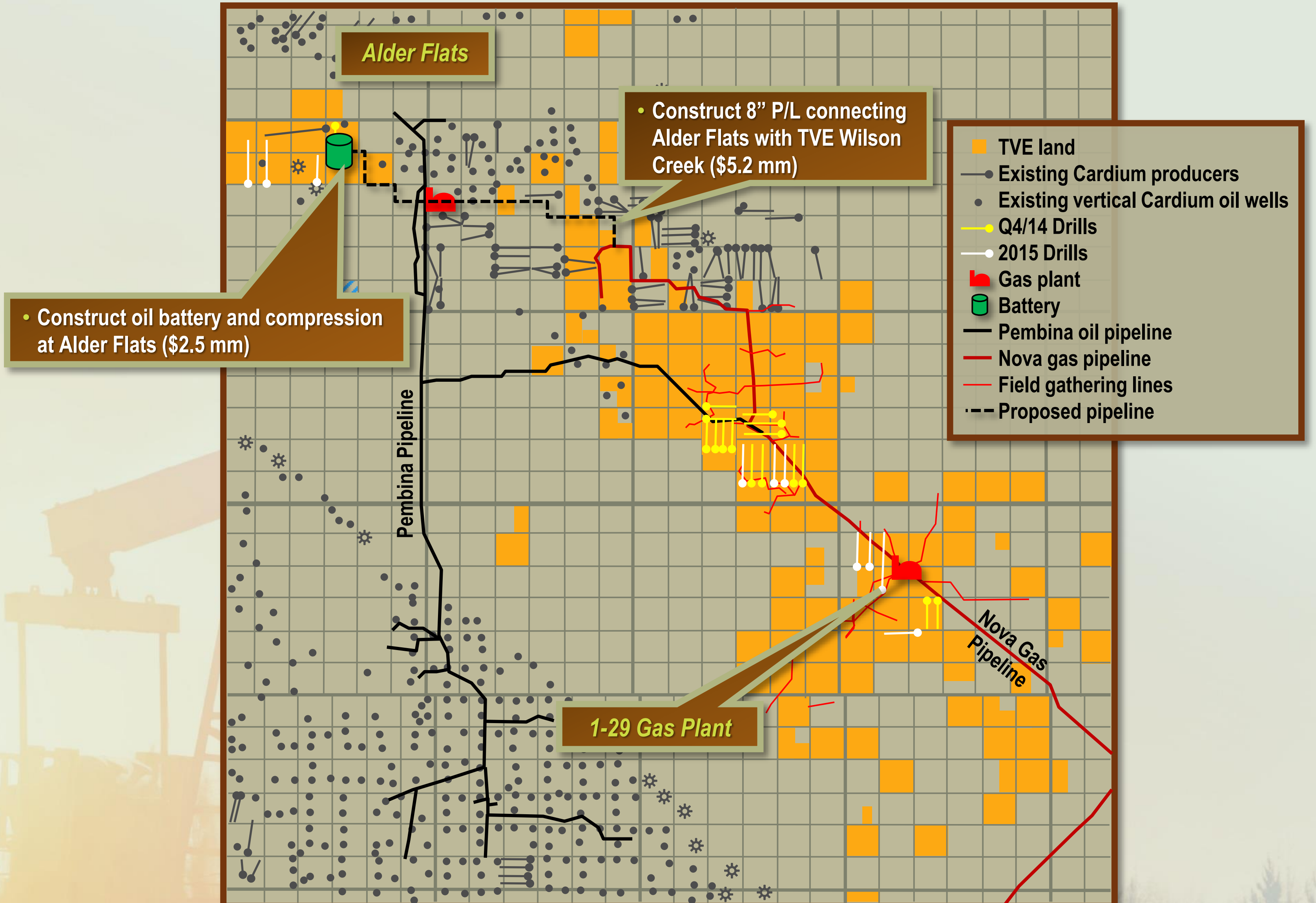
Wilson Creek at end of Q1/15



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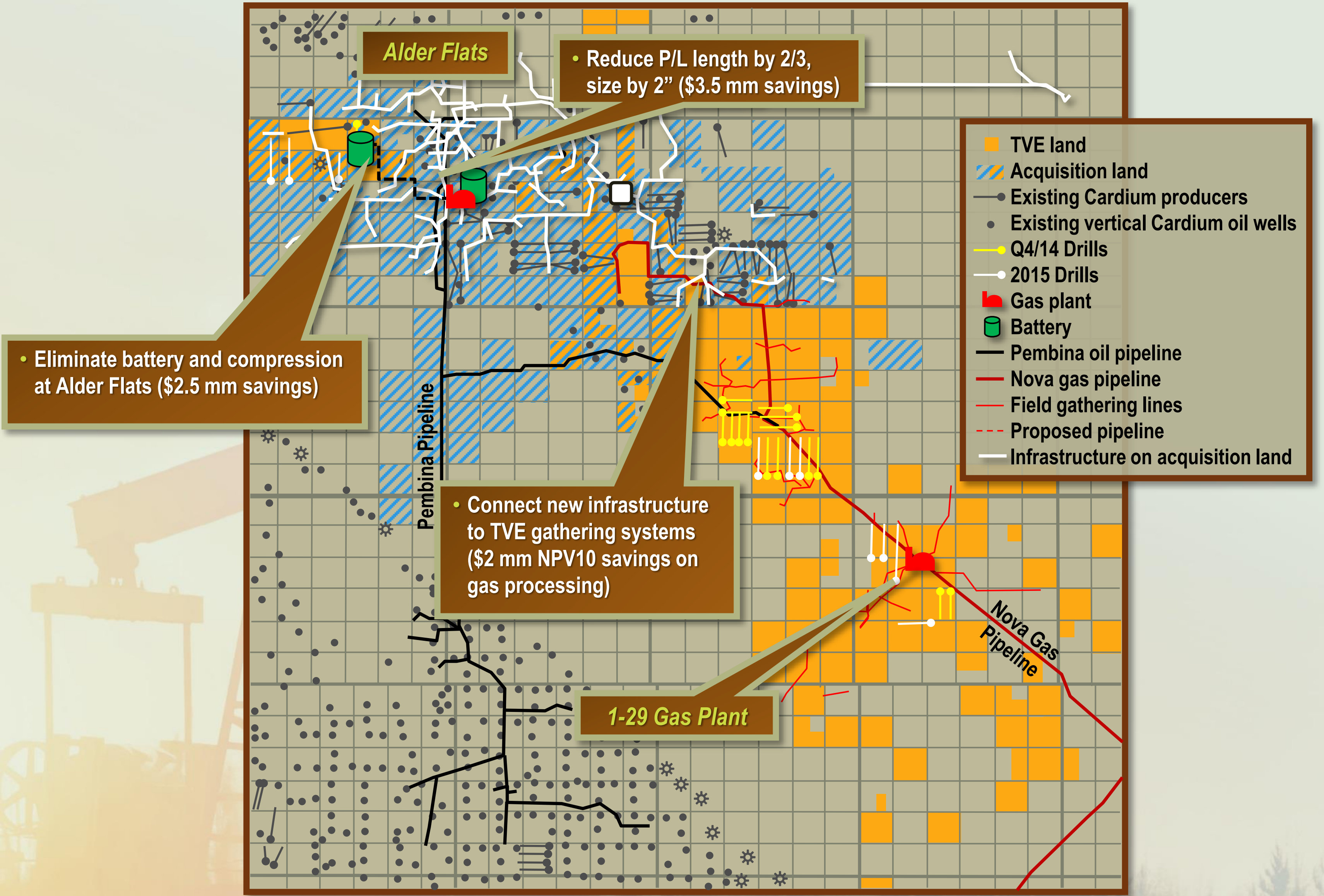
Wilson Creek after Tuck-in Acquisition



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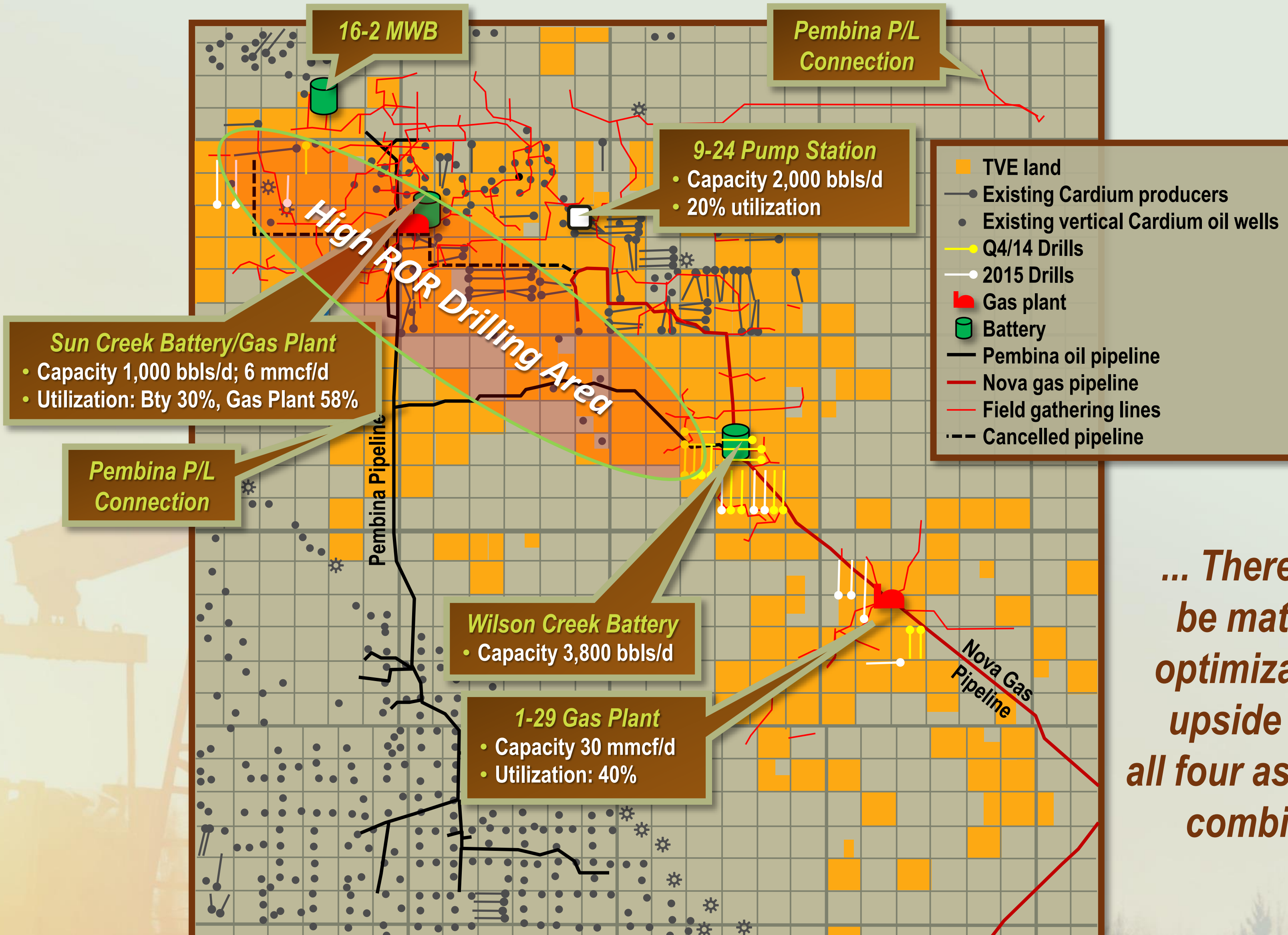
Wilson Creek Dominant Infrastructure



... There will be material optimization upside with all four assets combined.

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Wilson Creek 2015 Tuck-in Acquisition Overview

What We Bought

- Acquisition price — $54 million
- Production (45% liquids) — 1,450 boe/d
- Decline rate — 20%
- Land — 128 sections (88 net)
- Reserves
  - PDP (44% liquids) — 3.47
  - Proved (43% liquids) — 5.75
  - 2P (43% liquids) — 6.44
  - RLI — 12.2
  - Drilling inventory — 70 locations
    (Including 40 one-mile equivalent less than 1.5 year payout)
- Infrastructure replacement cost — $60 million
- Operating netback at closing — $22.97/boe
- Facilities included
  - 100% ownership of 6 mmcf/d gas plant with re-fridge
  - 1,000 bbls/d capacity central oil battery pipeline connected to Pembina pipeline
  - 220 km of pipeline infrastructure
  - 3 minor oil batteries / pump stations

Strategic Rationale

- Three separate one-off deals
- Blocky contiguous lands allow for more long reach development
- Additional infrastructure will result in lower costs and higher netbacks

Acquisition Metrics

(assume no value for undeveloped land)

- Flowing — $37,000 / boepd
- Proved reserves — $9.37 / boe
- 2P reserves — $8.37 / boe
- Proved PV10 — 0.5
- 2P PV10 — 0.5
- Current CF multiple — 4.4x
- 2P recycle ratio — 2.7

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Additional Upside to 2014 Wilson Acquisition Plan

Reduction in Opex
- $11.40/boe to $8.00/boe
- NPV10 $29 million

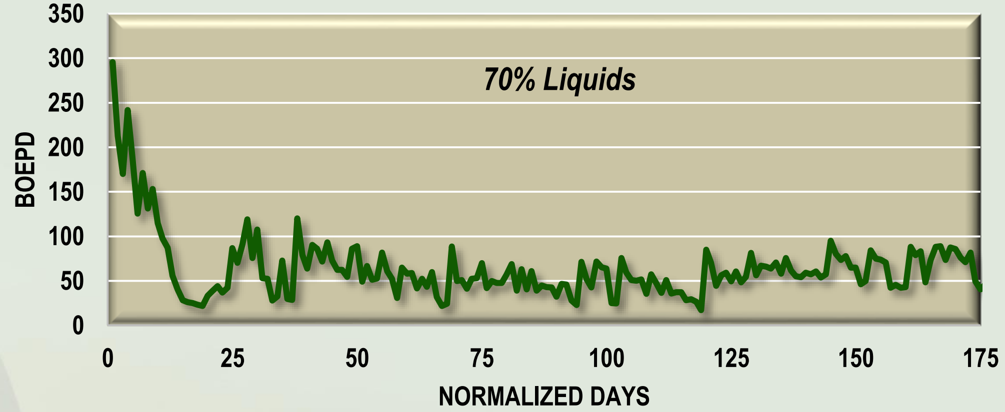
5 Reactivation / Recompletions
- $1.7 million capex
- 10 month payout
- NPV10 $1.6 million

4 wells – Lowered Pumps
- $0.25 million capex
- 10 month payout

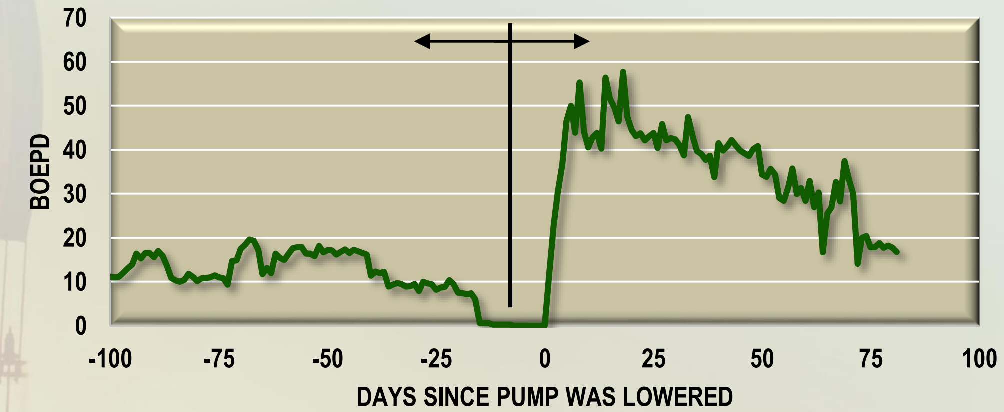
1-29 Compressor Project
- Fee revenue from third party gas offsets opex by $1.50/boe
- 2 year payout on investment
- NPV10 $1.5 million

... TVE expects to find hidden gems on recent tuck-in acquisition.

Recompletion/Reactivation Results



Average Pump Lowering Response



Combined Optimization
Invested: $3.05 million, NPV10: $3.35 million, ROR = 147%
Plus $29 million in operating cost savings

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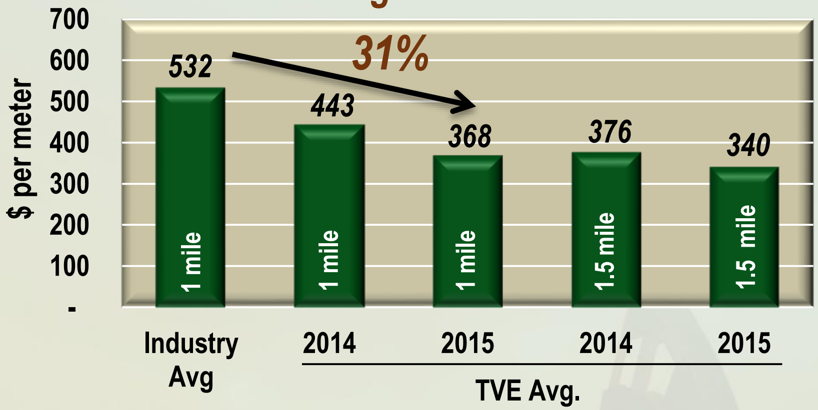
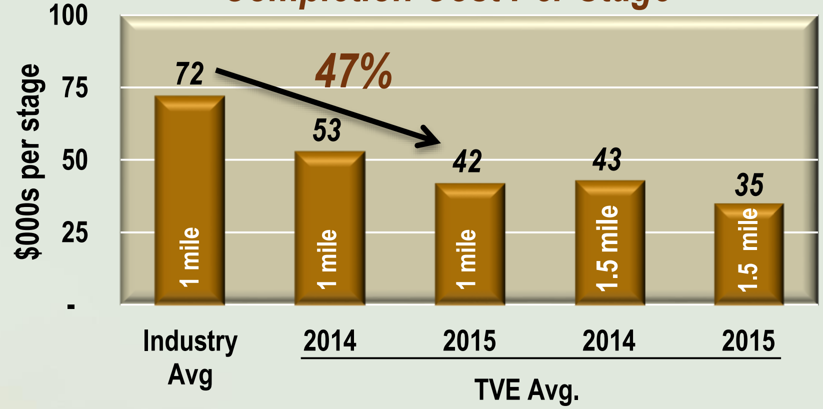
Wilson Creek - Drilling & Completion – TVE Advantage

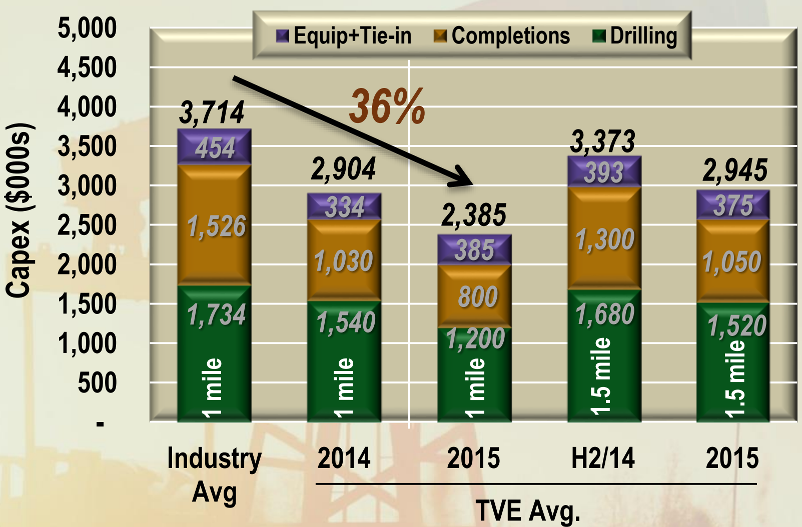
Drilling Cost Per Meter



Completion Cost Per Stage



Drilling & Completion Cost Per Well



- Costs are down 36% with pad drilling and focus on execution detail
- Costs are down 20% from 2014 actuals
- Majority of completion cost cuts are as a result of service cost reductions and design changes

** Industry averages are based on data from the Well Completions and Frac Database and TVE averages are based on internal accounting actuals and field estimates (where actuals were not available).*

... Tamarack's cost advantage contributes to quicker payouts and higher drilling ROR.

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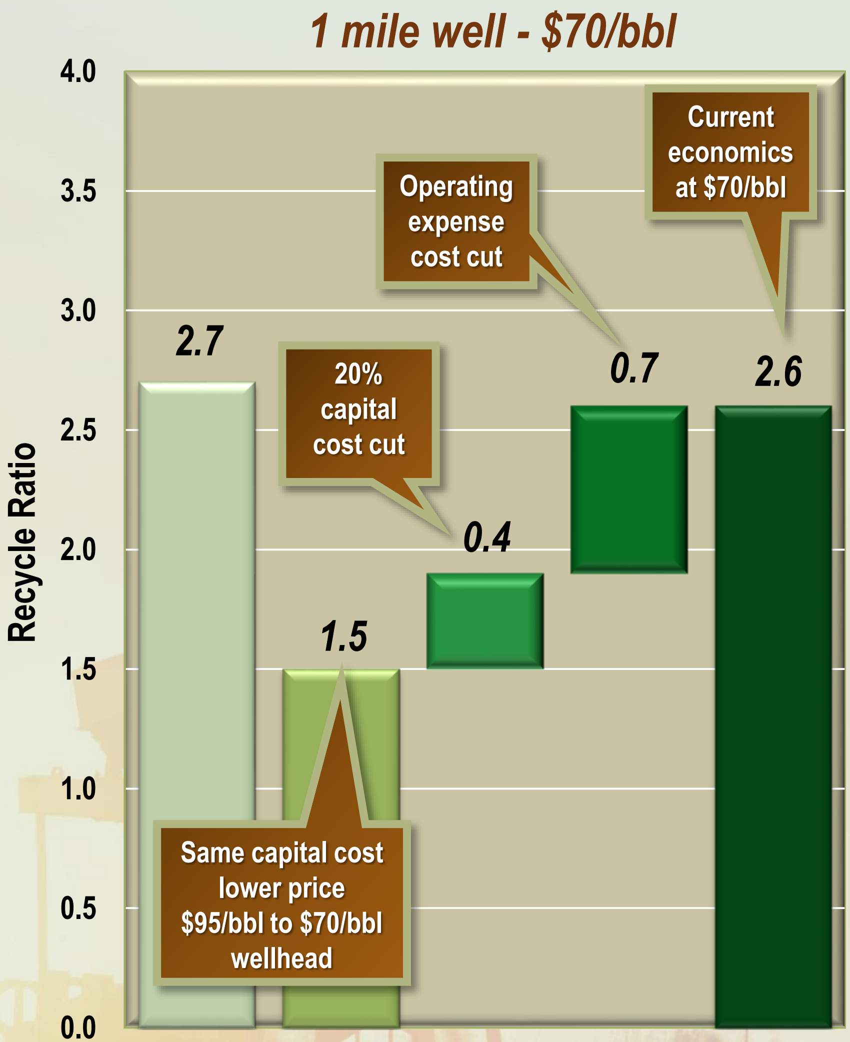
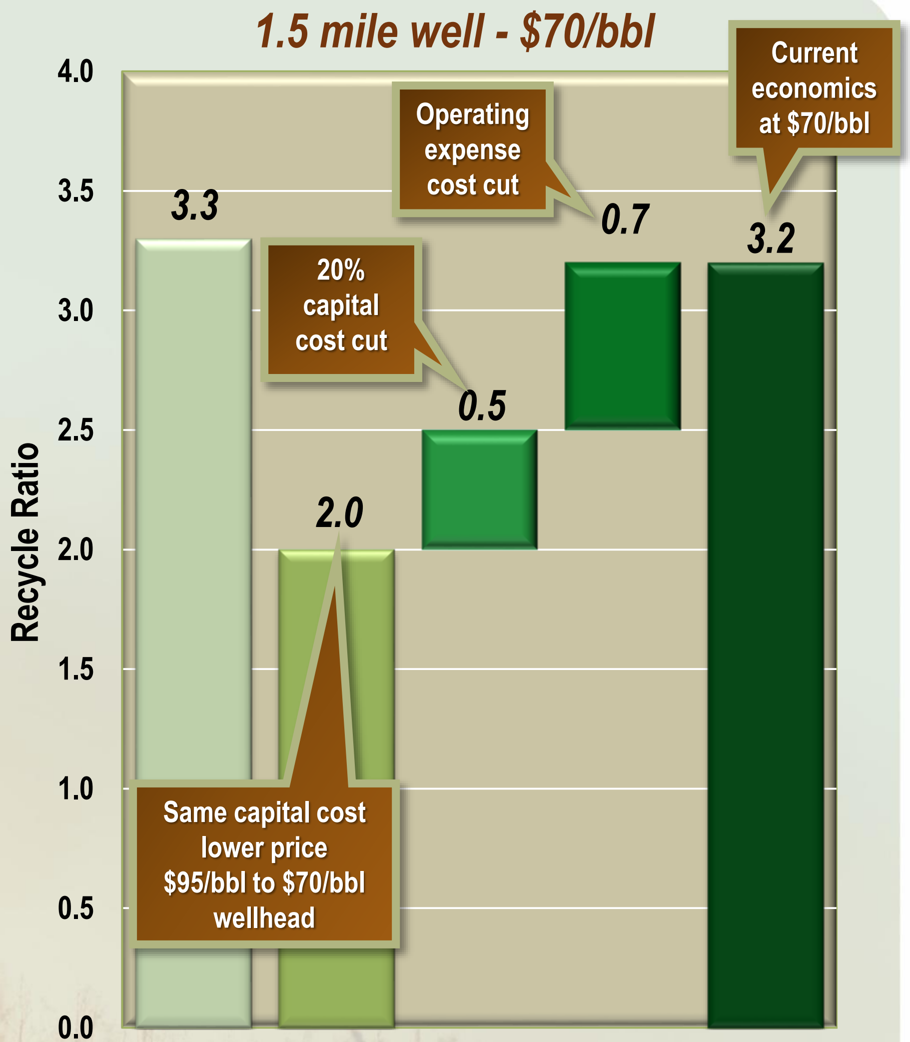
Wilson Creek - Recycle Ratio





... Capital and operating cost reductions combined with well design changes result in netbacks similar to what was experienced in 2014.

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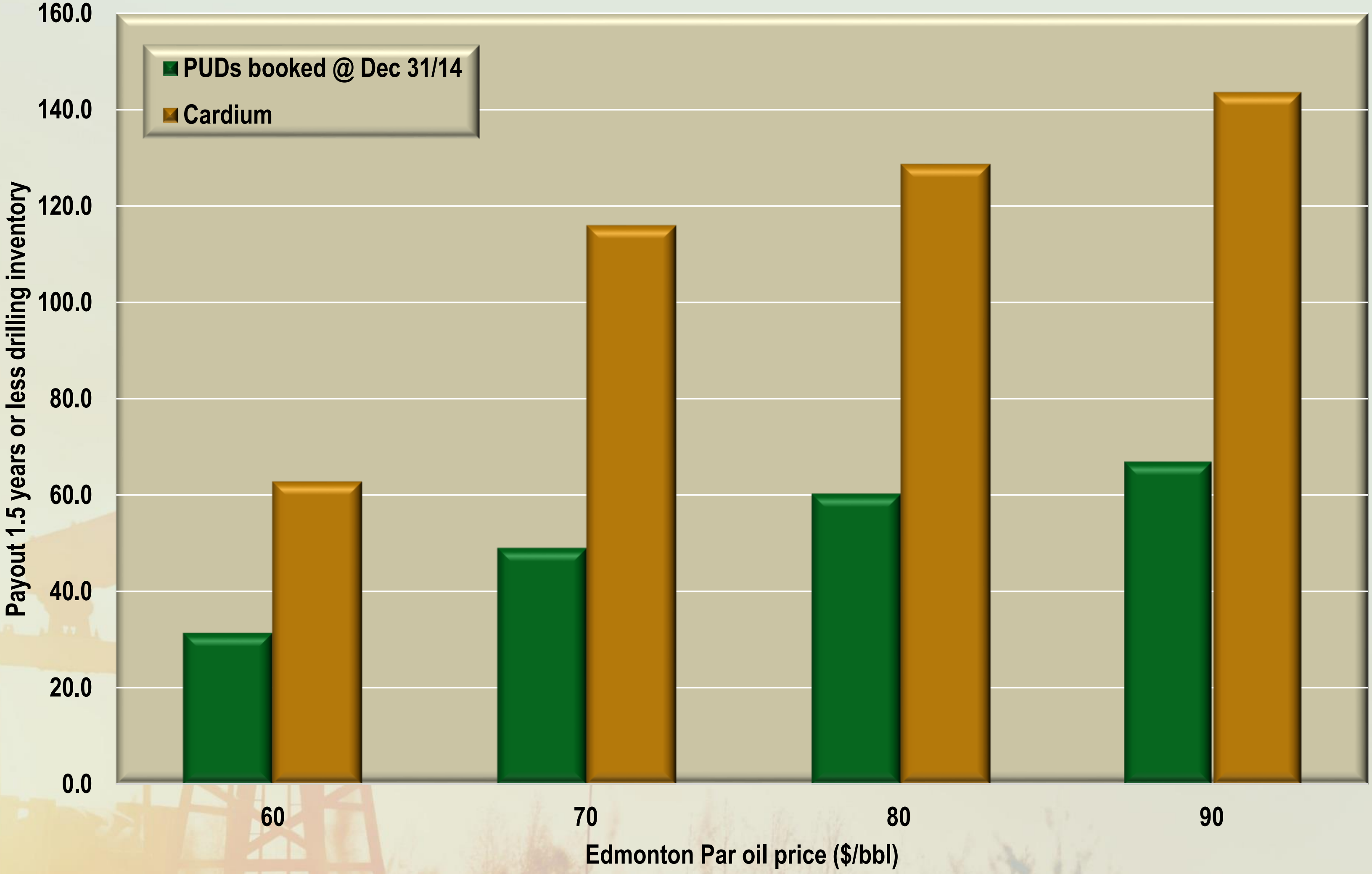
Wilson Creek Cardium Oil Drilling Inventory



... Lightly booked high quality drilling inventory; exiting 2015 with 39% more high quality inventory at $70/bbl than originally forecasted.

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Tamarack Profile – TVE : TSX-V

Corporate	
Shares outstanding* (mm)	97.32
Fully diluted* (mm)	102.99
Share price May 29/15	$3.75
Market cap ($mm)	$365
Est. enterprise value ($mm)	$475
Available bank line ($mm)	$150
Debt at March 31, 2015 ($mm)	$121.2

Operational	2013	2014	2015e
Production (boe/d)	3,276	5,717	8,000 - 8,200
Exit Q4 avg. prod'n (boe/d)	4,718	7,681	10,000
% Liquids	60	62	58 - 62
Cash flow ($mm)	38.2	66.2	n/a
Capital ($mm)	57.5	153.9	130 - 140
Exit debt to cash flow	2.0	1.7	1.5

** Assumes the over-allotment option is not exercised (potential additional shares of 2,579,550)*

- EV/boepd less than $60,000 boepd on 2015 average and less than $50,000 on Q4/15 exit
- 2015 price assumptions: $63/bbl Edm Par, $2.60/GJ AECO, $0.823 Cdn dollar
- Debt expected to remain quite flat from YE/14 levels in the $132-138 million range
- 2015 CAPEX includes $54 million for Q2/15 acquisitions; $60-65 million capex in H2/15
- Q4/15 to Q4/14 production per share growth is expected to be 2-3% on a fully diluted basis and 14-15% using WASO fully diluted

... Tamarack will adjust spending levels as commodity prices change.

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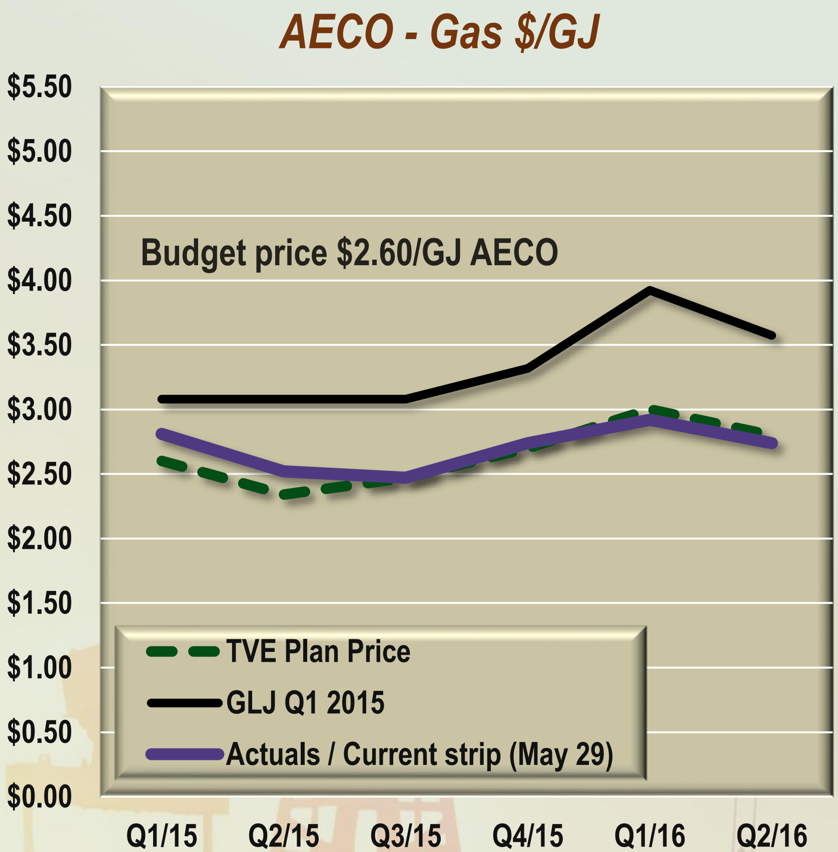
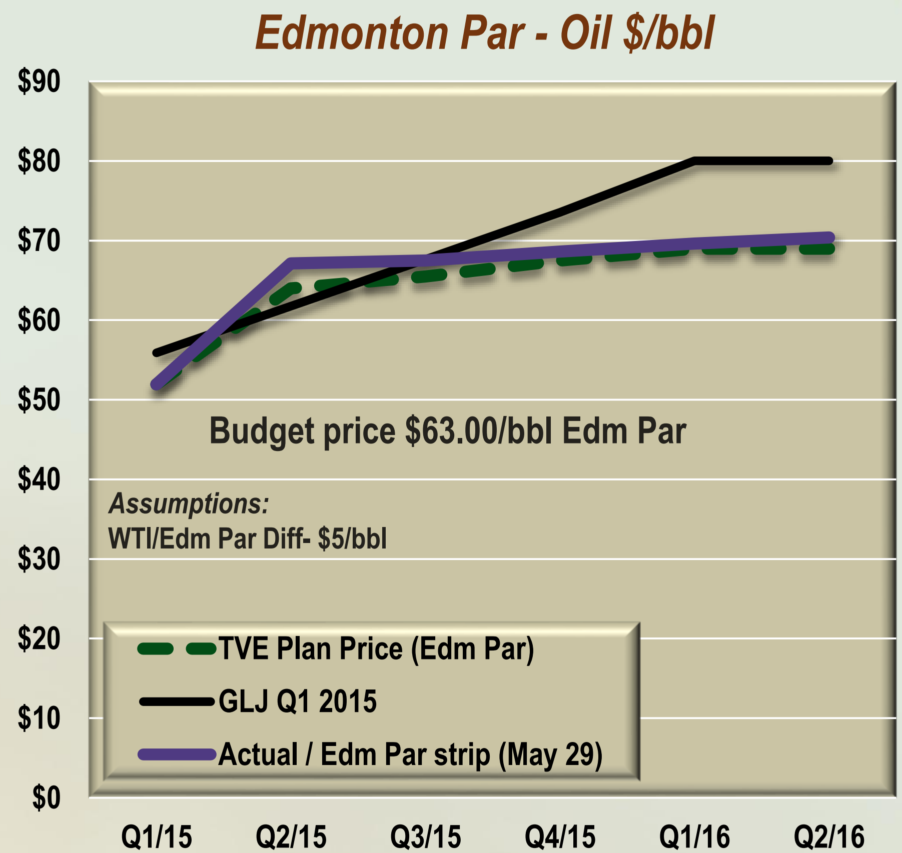
2015 Realistic Budgets on Realistic Prices





... TVE Edm Par plan price is still below strip despite recent drop in WTI prices.

Other Commodity Budget Assumptions			
	% of crude	2015 *($/bbl)*	2016 *($/bbl)*
C3	10%	5.00	18.00
C4	54%	27.00	65.60
C5+	90%	45.00	85.60

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Current Oil Hedges as at May 29, 2015

Term	Hedge type	Counterparty	Volume	Cdn Pricing
April 1, 2015 to June 30, 2015	WTI fixed price	Macquarie Bank	1,000 bbls/d	Cdn $96.31/bbl
July 1, 2015 to August 31, 2015	WTI fixed price	Macquarie Bank	2,000 bbls/d	Cdn $79.68/bbl
September 1 to September 30, 2015	WTI fixed price	Macquarie Bank	2,400 bbls/d	Cdn $79.10/bbl
October 1, 2015 to December 31, 2015	WTI fixed price	Macquarie Bank	2,600 bbls/d	Cdn $78.37/bbl
January 1, 2016 to March 31, 2016	WTI fixed price	Macquarie Bank	2,200 bbls/d	Cdn $76.04/bbl
April 1, 2016 to June 30, 2016	WTI fixed price	Macquarie Bank	1,700 bbls/d	Cdn $75.88/bbl
July 1, 2016 to September 30, 2016	WTI fixed price	Macquarie Bank	600 bbls/d	Cdn $76.58/bbl

H2 2015 average Cdn $79.00/bbl

2016 average Cdn $76.05/bbl

Term	Hedge type	Counterparty	Volume	Cdn Pricing
April 1, 2015 to June 30, 2015	AECO fixed price swap	RBC & NBC	4,000 GJ/d	Cdn $2.67/GJ
July 1, 2015 to September 30, 2015	AECO fixed price swap	RBC & NBC	7,000 GJ/d	Cdn $2.73/GJ
October 1, 2015 to December 31, 2015	AECO fixed price swap	RBC	5,000 GJ/d	Cdn $3.06/GJ
January 1, 2016 to March 31, 2016	AECO fixed price swap	RBC	3,000 GJ/d	Cdn $3.10/GJ

Assumptions:
US dollar hedges were converted to Cdn dollars using strip exchange rates as of May 29, 2015.

Revised 2015 Budget – Financial Stats per BOE

	2014 Actuals	2015 Budget	Revised 2015 Budget
Average pricing			
Edm Par	$94.09/bbl	$51.60/bbl	$63.00/bbl
AECO (monthly index)	$4.40/GJ	$2.65/GJ	$2.60/GJ
$/boe			
Revenue	60.38	33.92	40.45
Royalties	7.78 (12.9%)	3.62 (10.7%)	4.25 (10.5%)
Operating costs	13.68	13.00 (internal target)	12.25 (internal target)
Operating lease	n/a	1.45	1.30
Operating income	38.92	15.85	22.65
G&A	3.11	3.50 to 3.75	2.65 to 2.85
Interest	1.21	2.25 to 2.50	2.00 to 2.25
Hedge (gains) / losses	1.06	(4.50)	(2.40)
Cash flow	33.54	14.10 to 14.60	19.95 to 20.40

... Wilson Creek tuck-in acquisition created critical mass that resulted in reduced Opex/boe and G&A/boe.

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Capital Expenditures

($millions)	2014	2015 Budget	Revised 2015 Budget
Land and seismic	7.0	0.7	4.0
Drill and completion	119.7	37.2	62.0
Equip and facilities	26.7	8.6	19.0
Capitalized G&A and office	0.5	0.5	1.0
Wilson Creek acquisition	166.1	n/a	54.0
Dispositions	(31.1)	-	(2.0)
Total capex	288.9	47.0	138.0

Net Drilling Summary (includes one-mile and long reach wells)	2014	2015 Budget	Revised 2015 Budget
Cardium	28.6	9.9	20-24
Viking	14.4	0.0	0.0
Heavy Oil	8.0	0.0	0.0
	51.0	9.9	20-24

... TVE has three net wells drilled requiring fracture stimulation and pumping equipment for quick low cost production adds.

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Key 6 Month Objectives and Look-back

What we said we would do	What we did in Q1 2015 / Q2 2015…
Deliver 8,000 boe/d in Q1/15.	Q1/15 averaged 8,092 boe/d.
Cut capital costs further and plan to deliver Q4/15 drilling program that will improve ROR at current commodity prices.	Capital costs estimated to be 20% lower than 2014 actuals.
Evaluate low cost tuck-in acquisitions in Wilson Creek to take advantage of high netback, infrastructure and control.	Executed 3 one-off tuck-in deals ($54 million); now 116 high ROR locations.
Evaluate waterflood implementation for high permeable Cardium in Wilson Creek.	Finish modelling of reservoir. Next steps: -Economic feasibility -Source water
Review operating costs in all areas starting with core areas.	OPEX/boe Wilson Creek $17.53 Q2/14 → $8.00 Q1/15 OPEX/boe Hatton $27.50 → $20.00
Evaluate benefits of monetizing infrastructure to enhance shareholder value while maintaining ownership.	One infrastructure deal completed for $25 million.
Complete 2014 year end reserves and disseminate the results to the market.	Reported reserves.

Objectives for Q3 2015 / Q4 2015 …
Cautiously proceed with drilling program to exit @ 10,000 boe/d while protecting balance sheet to keep optionality for M&A.
Continue cost focus for an addition 5% cut in capital costs and reduce op costs/boe in Hatton further. $20.00 → $18.00
Integrate the new assets and optimize infrastructure. Cut costs on new operations.
Create a hedging program to protect the drilling economics going above previously adapted limits.
Become active to influence the AB royalty review to protect the company's valuation.
Deliver drilling commitments to major and build good will to expand opportunities.
Continue to look for M&A respecting TVE's M&A criteria.
Install a new information retinal system to integrate software and keep TVE staff count low (G&A). Gain CSOX compliance for TSX graduation.

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Why Buy/Continue to Own Tamarack?

- Resilient assets in low commodity price environment
  - Preserves a solid balance sheet
  - As commodity prices improve, TVE high quality inventory will be economic earlier than most inventory
- TVE has a plan to deal with lower commodity prices that was implemented in early Nov/14
- A junior company with an "intermediate like" land base
- Solid balance sheet that supports positioning for strong growth when prices recover
- Experienced and committed management team that reacted quickly to changing times to protect shareholder downside and at the right time can grow this company several times larger
- Current price of entry represents good value

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TVE Contact Information

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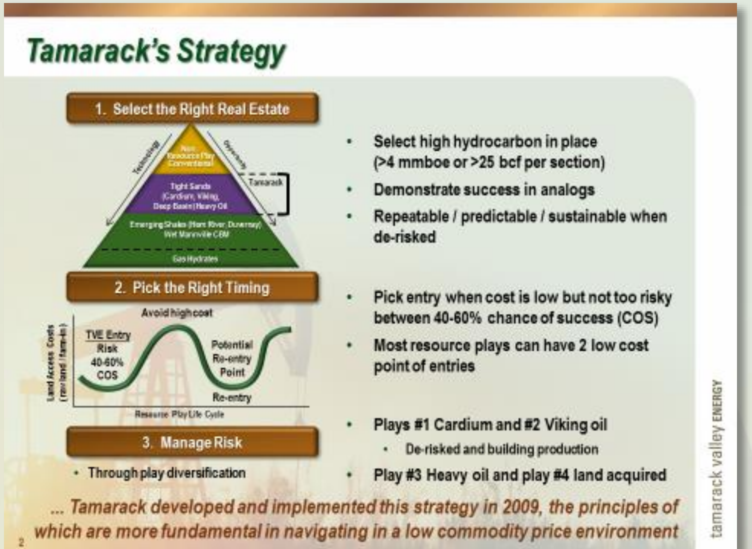
Circa 2010 Strategy and Culture Holds Up in Tough Times



Tamarack Perspective and Culture (2010)

1. Build a sustainable, predictable and reliable growth company
   - Full cycle rate of return driven
   - Development inventory with payout 1 to 1.5 years maximum (top quartile in the industry)
   - Clear line of sight to production growth with current inventory
   - Clear track record that demonstrates capital efficiency through above industry average production rates and below industry average costs
2. Demonstrate transparency and credibility with the market
   - Be held to a well articulated, predictable and clear strategy
   - Do what you say you are going to do and be accountable to 6 month goals
   - Perform look-backs and make this transparent to your shareholders
   - Deliver on production expectations on an annual basis with reporting of progress quarterly
3. Manage the balance sheet
   - Work to a debt to annualized cash flow ratio of no more than 1 - 1.5 times in a "normal" commodity price environment $70-85 WTI
   - Manage risk on capital programs by commodity hedging, when pricing is appropriate
4. Align management rewards to shareholder returns
   - Annual bonuses paid to CEO/CFO based on per share metrics and must achieve top 75th percentile peer group performance
   - Remaining staff rewarded on exceeding capital rate of returns, production, and reserve growth targets
5. Manage to become a company that produces 20,000 boe/d with a robust drilling inventory

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Key Points Out of Strategy Applicable Today

- **Full cycle ROR decision making**
  - **Still want 1 to 1.5 year paybacks or will divert capital**
- **Manage the balance sheet**
  - **Ensure survival in low prices by pulling back capital and cutting costs**
  - **Only deploy capital that gets strong return in a low cost environment**
- **Build position when entry point is low**
  - **Add major acquisition to dominate Wilson Creek**
- **"Do" what you "say" you are going to do**
  - **Following a well thought out downturn strategy that was outlined in November 2014**

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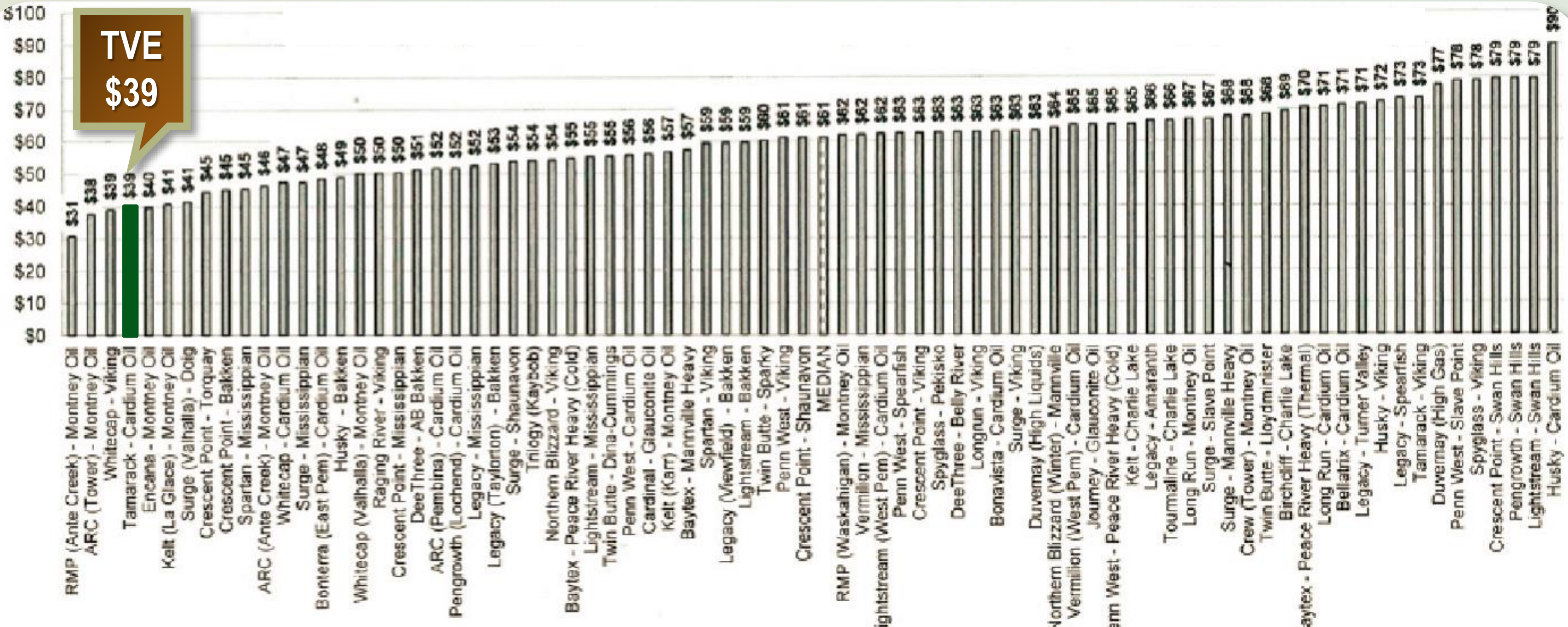
Break-even Economics

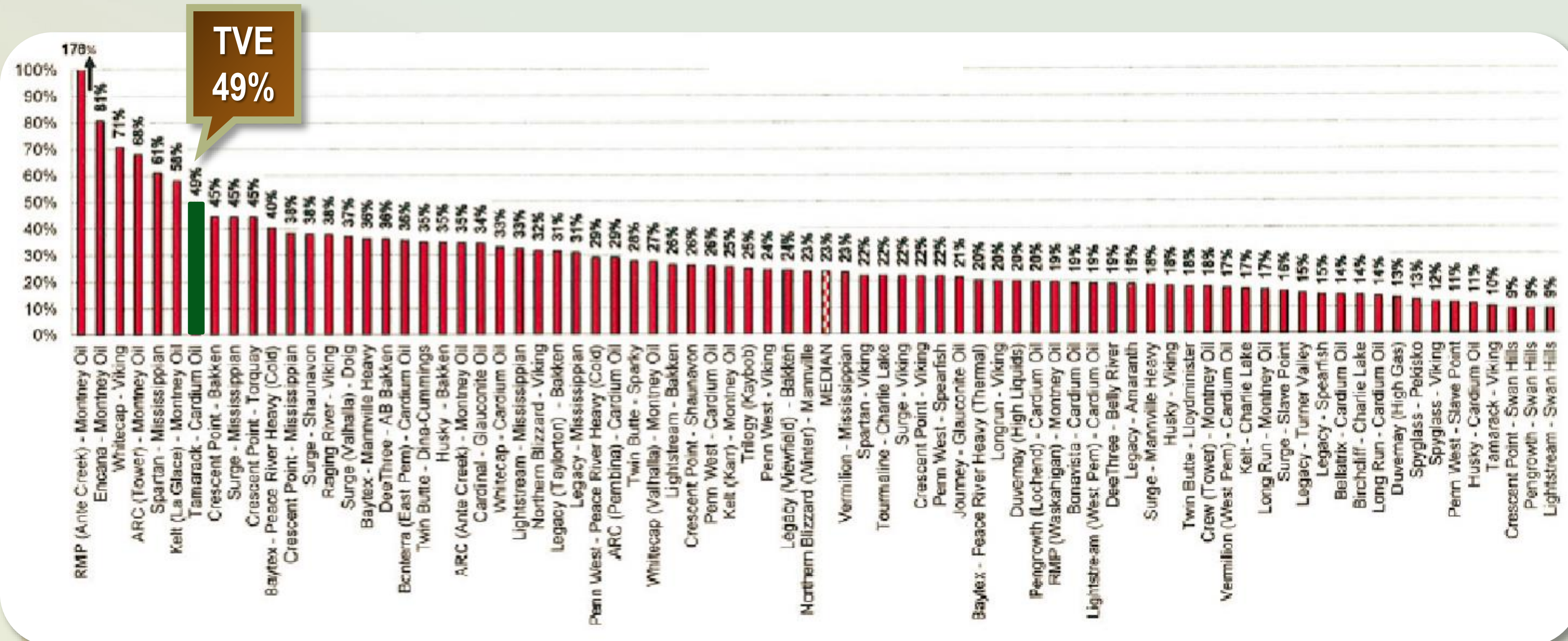
What oil price do each company's core plays need to achieve a 15% return?
Oil plays by break-even price – mid-cycle, 15% hurdle rate (C$/bbl Edm Par)



Note: Break-evens for heavy oil plays are to the Edm Par light oil benchmark and assumes a $12 differential to WCS (equivalent to the YTD average).
Source: geoSCOUT; company reports; CIBC World Markets Inc.

Internal Rates of Returns

Which companies and oil plays offer the best returns?
Oil plays by IRR



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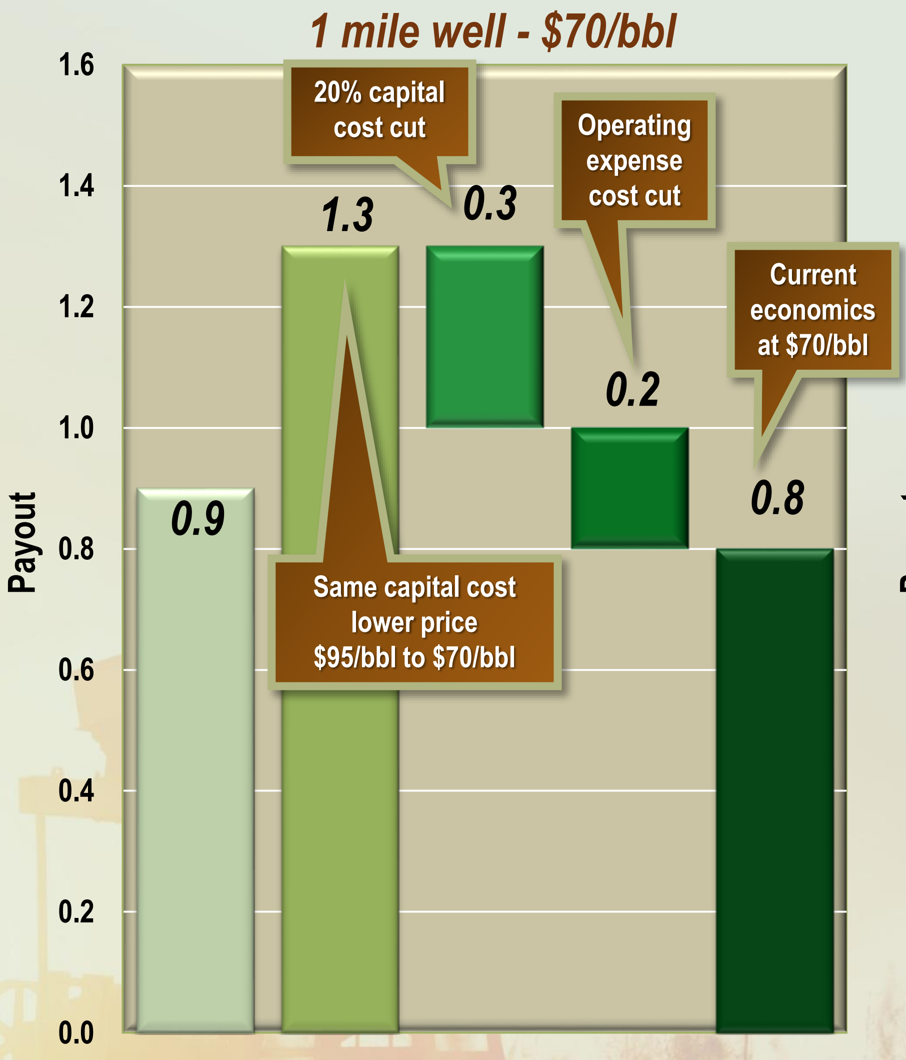
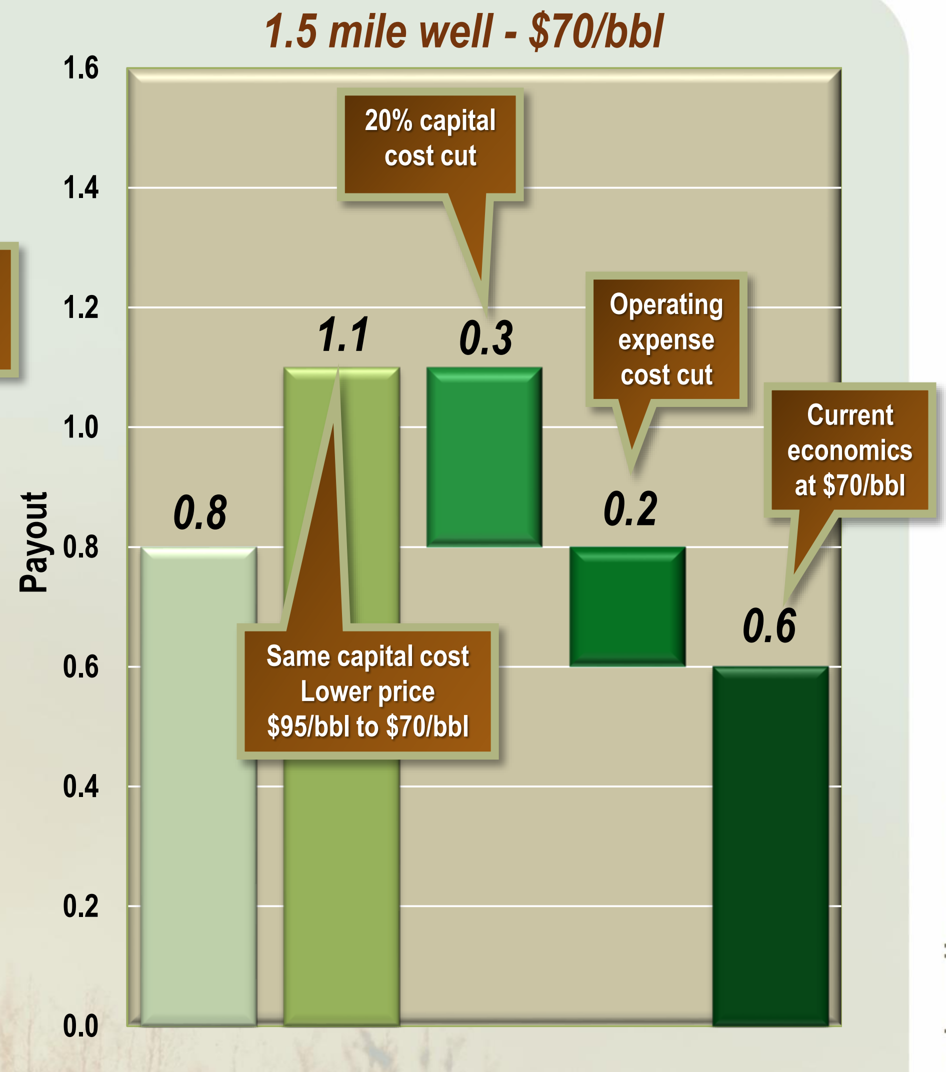
Wilson Creek - Payout





... Capital and operating cost reductions result in payouts remaining less than a year in current low price environment.

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Key 6 Month Objectives and Look-back

What we said we would do	What we did in Q4 2014 / Q1 2015…
Exit Q4/14 at 9,500 boe/d; average Q1/15 9,500+ boe/d.	Exit Q4/14 at 9,700 boe/d for last 2 weeks of Dec/14. Cut capex due to low prices.
Integrate Suncor Wilson Creek assets to ensure cost benefits are realized and production is maximized.	Cut opex by 52%; added new volumes from well recompletions not anticipated at the time of acquisition; Oil battery now at 3,800 bbls/d from 300 bbls/d.
Assemble a development plan for Alder Flats and Brazeau areas.	Development plan in place. Drilling anticipated in Q3/15 with volumes in Q4/15.
Finalize and approve a 2015 budget taking into account current commodity price environment and hedging strategy.	Plan approved by the board for $47 million. Pay down debt in H1/15 by only spending $10.5 on capex.
Continue tuck-in acquisition tactic to maximize infrastructure advantage.	Acquired 2.5 sections from another operator and 2.5 sections at crown sale for only $50K.
Evaluate Cardium frac density test.	Test postponed with capital cuts.
Work on driving costs down in core areas, both in capital and operating to improve payback and recycle ratios.	Costs down 19% from H1/14 drilling. Further reductions necessary to enable 2015 drilling.

Objectives for Q1 2015 / Q2 2015 …
Deliver 8,000 boe/d in Q1/1.5
Need to cut capital costs further and plan to deliver Q4/15 drilling program that will improve ROR at current commodity prices.
Evaluate low cost tuck-in acquisitions in Wilson Creek to take advantage of high netback, infrastructure and control.
Evaluate waterflood implementation for high permeable Cardium in Wilson Creek.
Review operating costs in all areas starting with core areas.
Evaluate benefits of monetizing infrastructure to enhance shareholder value while maintaining ownership.
Complete 2014 year end reserves and disseminate the results to the market.