

A photograph of an industrial facility at dusk. In the foreground, there is a grassy field with a wooden fence. Behind the fence, there are several large blue cylindrical tanks and a white industrial building with a glass facade. In the background, a large, snow-capped mountain is visible under a dark blue sky with a full moon.

TAGO

TSX : TAO | OTCQX : TAOIF

People + Assets + Execution = Results

New Zealand's Pure Play

January 2015



**Be the #1 Oil & Gas
Producer in New
Zealand**

Core Purpose:

Unlock New Zealand's
Potential

Core Values:

- People Matter Most
- TAG Lives Safely
- Our Community Counts
- Have a Will-Do Attitude
- Work Hard & Celebrate Success

Executive & Key Technical Team

North American Expertise

Garth Johnson
Chief Executive Officer, CGA

Drew Cadenhead
Chief Operating Officer, P. Geol

Max Murray
New Zealand Country Manager

Chris Ferguson
Chief Financial Officer, CA

Shane Hamnett
VP of Operations and HS&E

Carey Davis, Exploration and New Ventures, B.Sc. Geol, M. Sc P. Geol

Alexandra Johansen
East Coast Geologist, B.Sc P. Geol

New Zealand Knowledge

17 years of international oil and gas experience in Austral-Asia with a significant focus on finance, New Zealand acquisitions, exploration and development. Formerly CEO of Trans-Orient Petroleum and Director of Austral Pacific Energy.

33 years experience commenced in Calgary with Canadian Hunter, Ulster, and Summit Resources. The last 15 years have been focused on New Zealand, originally with Fletcher Challenge (PetroCorp.) and now TAG.

30 years of operational and proven executive leadership in the oil and gas industry with a thorough understanding of the New Zealand oil and gas landscape. Max was most recently Origin Energy's Manager Production Upstream E&P and Senior in Country Manager for New Zealand.

18 years of financial and operational experience in the oil and gas industry in New Zealand, holding senior financial positions with local and international exploration and production companies.

12 years experience in technical, operational and commercial roles with AltaGas. Developed key growth projects across the business. Leadership roles in regulatory, client, and epcm relationships.

16 years of international exploration and development experience starting with Fletcher Challenge (PetroCorp), Talisman Energy and Mighty River Power, prior to joining TAG.

15 years of experience in New Zealand with expertise in the East Coast Basin and internationally with Southern Petroleum NL and Elf Hydrocarbons.

Foundation for Growth

As of March 31 st	F2014	F2013	F2012	F2011
Production Revenue	\$ 57,546,899	\$ 44,591,201	\$ 42,908,655	\$ 13,088,423
Operating Profit	37,481,174	30,550,658	27,295,058	6,533,061
Net Operating CF	22,931,823	34,211,862	15,559,530	(1,154,111)
Net Income Prior To Share-Based Compensation	16,779,473	10,694,371	18,924,540	1,294,562
Net Income Before Tax	14,731,055	5,073,359	12,376,019	(1,090,142)
Earnings Per Share BT	0.23	0.09	0.24	(0.03)
Working Capital	55,836,009	68,073,376	65,371,541	68,224,153
Total Assets	278,660,659	215,883,701	148,883,278	104,801,280
Long Term Debt	-	-	-	-
Shareholders Equity	241,794,803	191,190,601	133,368,183	94,579,787
Market Capitalization	\$ 176,017,743	\$ 249,441,690	\$ 496,859,319	\$334,839,374

Foundation for Success

Capital Structure	63.7 million shares o/s; 68.49 million fully diluted
Working Capital	\$38 million in cash, no debt, fully funded FY15 and FY16 program with balanced drilling risk profile
Proved & Probable Reserves*	5,898,000 boe (94% oil) at March 31, 2014
Average Production	Q215 estimate of 1750 boe/d, Q115 actual of 1,750 boe/d Q414 actual of 1,486 boe/d, Q314 actual of 1,527 boe/d
FY2015 Guidance*	Production avg. 2,000 BOE/D (80% oil), revenue of \$65 million, cash-flow from operations of \$40 million and March 31, 2015 exit 2,300 BOE/D
High Net-Backs	Q115 and Q414 actuals of \$72/boe; high net-back oil
Organic Value Creation	50+ high impact exploration & development drilling opportunities in Taranaki + 24 leads currently identified
Unconventional Play	Independently estimated 12+ billion bbl undiscovered resource potential ⁽¹⁾⁽²⁾
Infrastructure	3 processing plants and pipeline network owned
2.8 Million Acres	Across 3 basins: Taranaki, East Coast, Canterbury
New Zealand	Stable, fiscally attractive, under-drilled, strong market, services readily available

2.8 Million Acres of Opportunity



Low-Risk Shallow Development

- Drilling success began in 2010
- Years more low-risk development drilling
- High net back light oil production

High-Impact Deep Exploration

- Undiscovered resource potential (P50): 477 BCF & 45 mmbbls⁽¹⁾⁽²⁾
- Prospects on trend with major fields
- Cardiff-3 intersected 230m of potential pay, results pending
- New high-impact wells planned

Unconventional

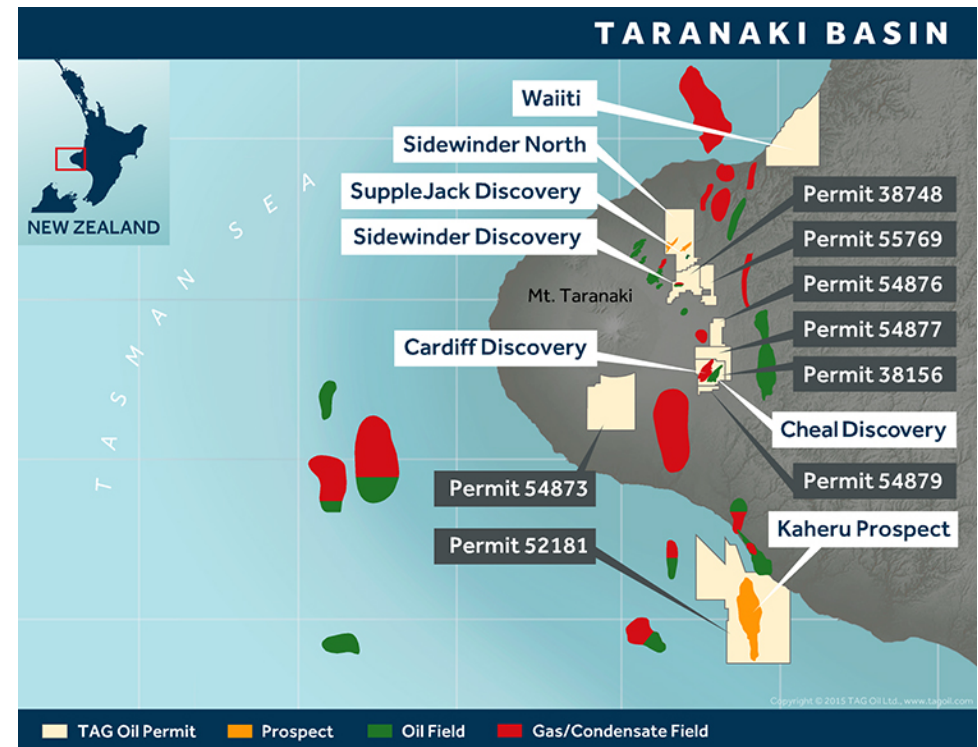
- Game-changing fractured shale oil play
- +12.6 billion barrel of OOIP upside⁽¹⁾⁽²⁾
- Ngapaeruru-1 intersected 155 meters of potential unconventional pay
- Waitangi Valley-1 P&A's at 900m, drilling problems



Taranaki Basin Overview

At a Glance

- Proven under-explored basin: 600 million barrels of oil and 7 TCF of gas reserves*
- Current daily production: 55,000 bbls oil & 460 mmcf gas*
- Significant reserve expansion opportunities
- Onshore target prospect size: 0.5 to 50 million BOE
- Robust local oil and gas infrastructure
- Japan, Korea, Australia: ready oil markets
- High local demand for natural gas



***Source:** [New Zealand Ministry of Economic Development](#). The source of the information was independent; however the Company was unable to confirm that this information was prepared by a qualified reserves evaluator or auditor in accordance with the COGE Handbook.

Taranaki Basin Discoveries and Production

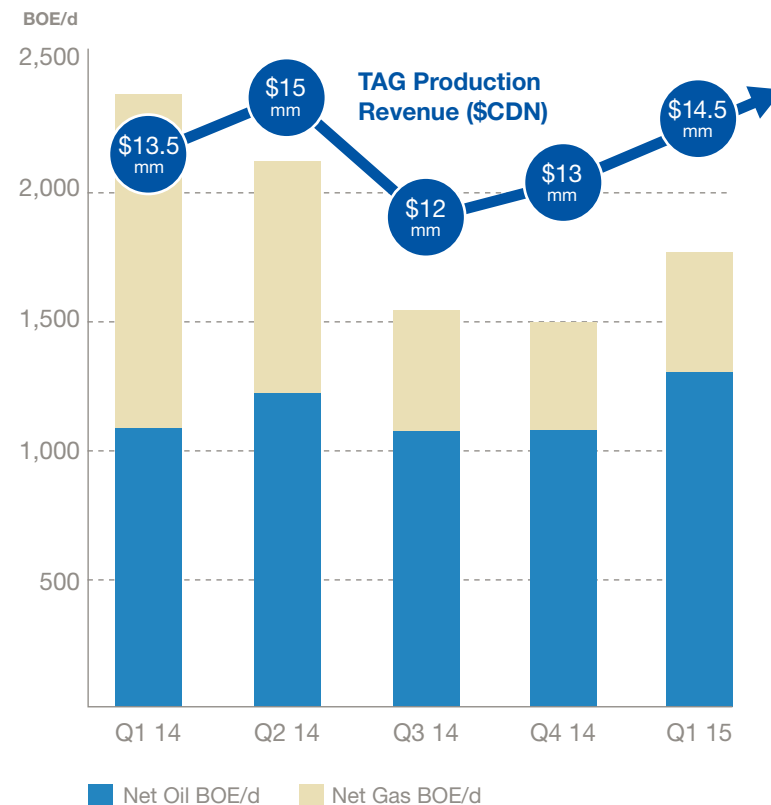
Cheal*, Sidewinder*, & Greater Cheal** Shallow Drilling

- \$3 million wells (drilled and completed)
- 30 wells drilled in past three years
- 50+ locations identified on proprietary 3D seismic
- IP's of 150 to >1700 barrels/day with average well ~150 to 200 bbls of oil after IP60
- Typical NPV10 = \$10 million to \$30 million per producer
- All Infrastructure in place (gas plant, artificial lift, pipeline)
- Long-life reserves and stable cash-flow fund high-impact opportunities

* Cheal and Sidewinder (100%)

** Greater Cheal (70% & 50%)

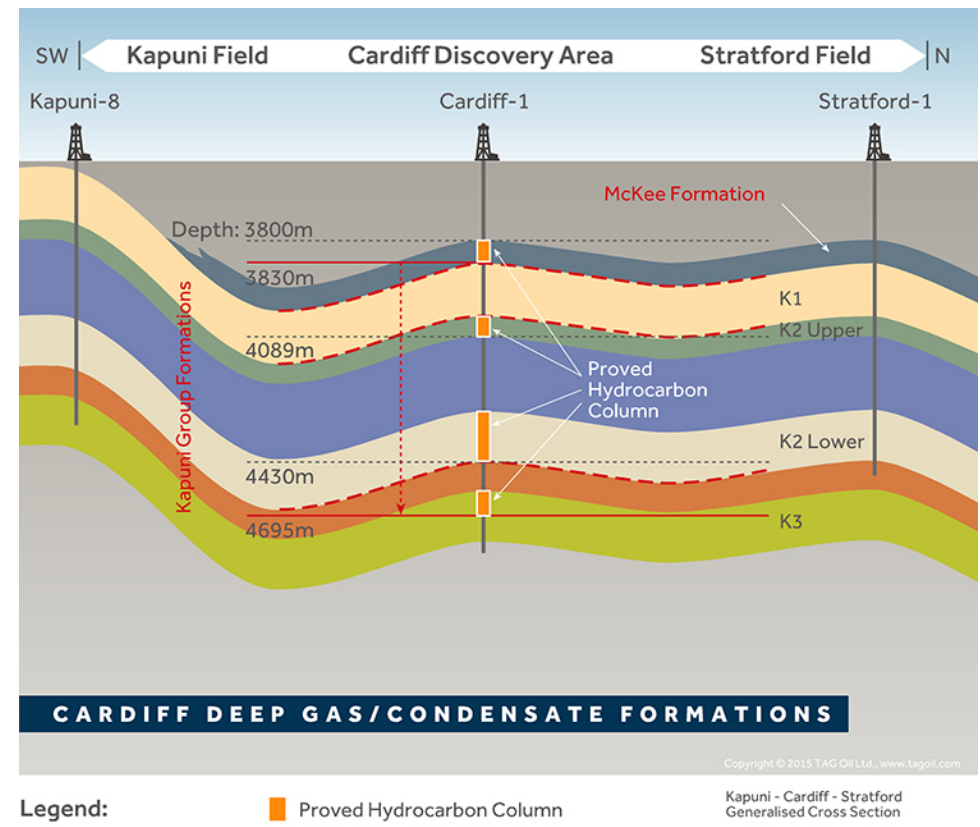
TAG Oil Avg. Daily Production & Revenue Per Qtr



Taranaki Basin Deep Prospects are Drill Ready

Cardiff, Heatseeker and Hellfire (100%)

- Undiscovered Resource Potential Assessments total 476 Bcf + 18.17 mmbbls cond. (p50)⁽¹⁾⁽²⁾
- Gas price in 2013: \$5.75/MCF with prices forecast to ~\$6 to \$8/MCF
- Historical Kapuni field analog (owned by Shell and Todd Petroleum)*:
 - Discovered in 1959, production started in 1970
 - Reserves of 1.5 TCF + 68 Mmbbls of (50 bbl's condensate per 1 mmcf)
 - Gas and condensate production still strong after 30 years

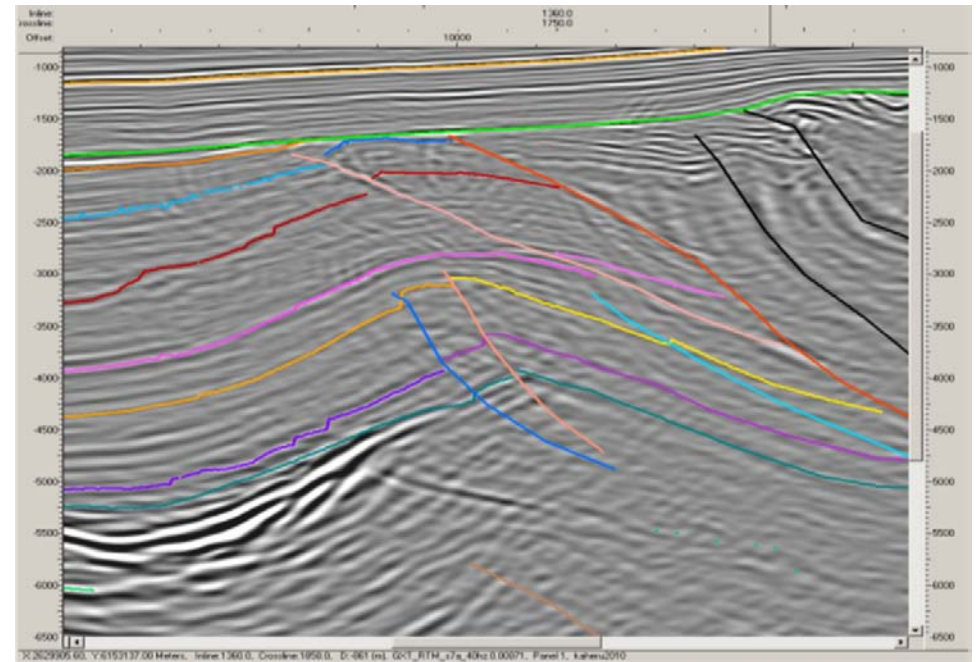


* **Source:** [New Zealand Ministry of Economic Development](#). The source of the information was independent; however the Company was unable to confirm that this information was prepared by a qualified reserves evaluator or auditor in accordance with the COGE Handbook.

Taranaki Basin Shallow Offshore Prospect

Kaheru Drilling Prospect (40%)

- 77,039 gross offshore acreage (Partners: 35% NZOG, 25% Beach Petroleum)
- Operated by NZOG (partner in Tui & Kupe, New Zealand's newest offshore production)
- Shallow water (~22 meters deep)
- Well to spud Q3/Q4 2015 calendar year
- Extensive 2D and 3D seismic acquired; offshore extension of onshore producing pool trend (Miocene-aged)
- Sproule Resource Assessment (May 31, 2011 Undiscovered OOIP):
 - 17 million barrels of oil net to TAG (p50) and 55 million barrels of oil net to TAG (p10)⁽¹⁾⁽²⁾

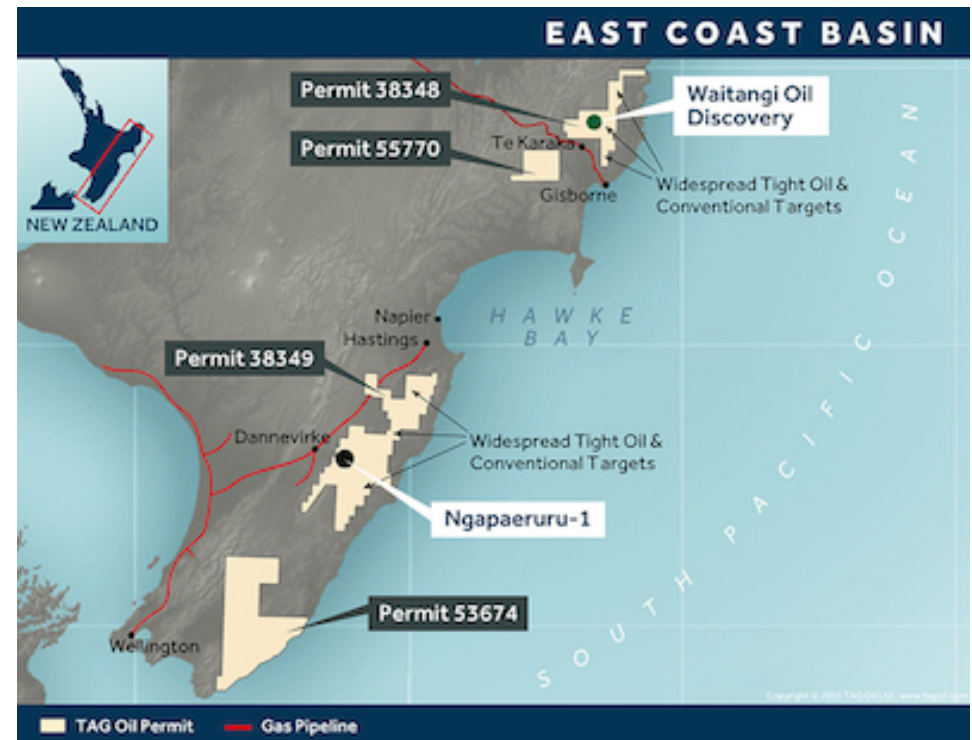




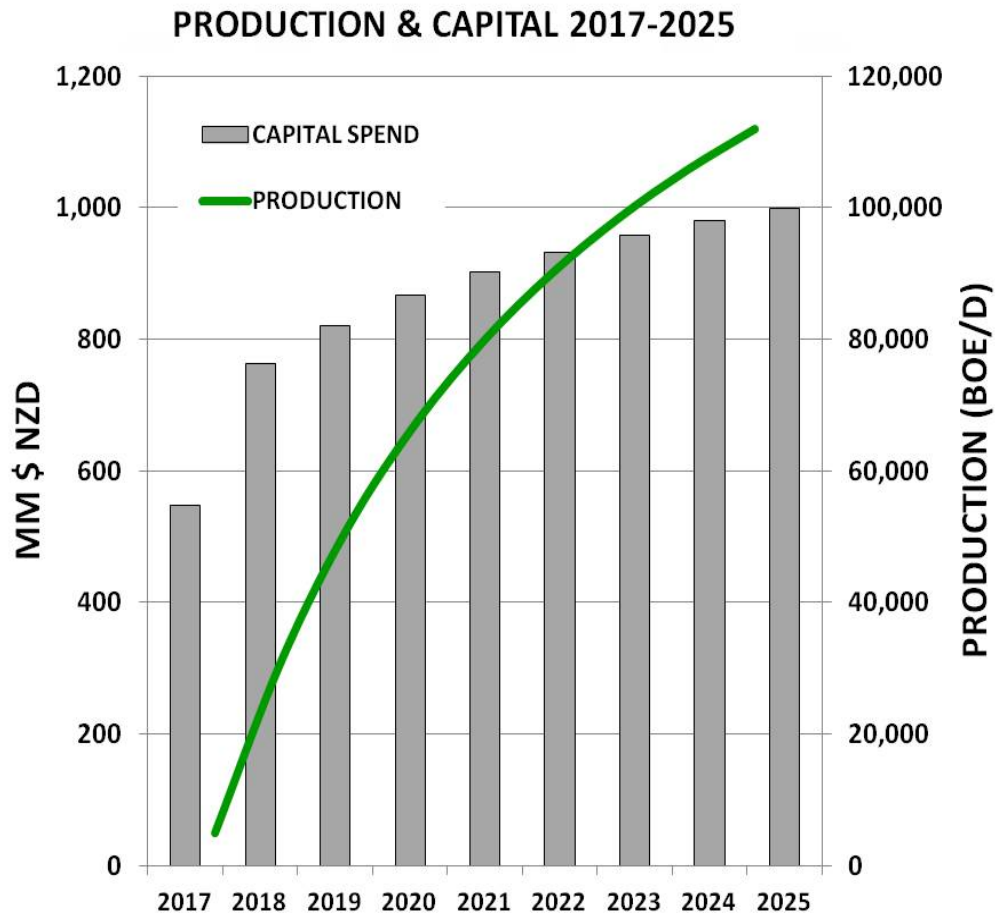
High Impact: Fractured Source Rock Play

Multi-Billion Barrel Potential

- Widespread and thick oil and gas seeps identified over millions of acres
- 39.8 billion bbls of OOIP (p10), 12.65 billion bbls of OOIP (p50), and 4.02 billion bbls of OOIP (p90) in 200,000 acres of TAG land^{1,2}
- First exploration well Ngapaeruru-1 intercepted 155 meters of fractured source rock, second well Waitangi Valley-1 encountered high-pressure hydrocarbon zones at shallow depths
- “Big 3” confidence builders:
 1. Naturally fractured basin
 2. Significant over-pressuring
 3. Ultra high quality oil



Size of the Prize



Development Potential

- Capex of \$4.7 billion, 2017 to 2025
- 5 rigs / 60 wells per year
- 8 years to get to 100,000 boe/d
- Decades of development
- Potentially shift NZ's economy
- \$100 per barrel of oil; 8 billion barrels potentially recoverable = \$1 trillion dollars of value



Ngapaeruru-1, Drilled April 2013

The East Coast Basin's First Unconventional Test Well

Reservoir Characterization Study ("RCS") provides the first true unconventional data set acquired in the Basin and confirms Whangai as a viable unconventional oil target.

- Deeper basinal setting expected to provide higher TOC's



250 km's South of Waitangi-Valley-1

- Source rock 293 meters thick, highly fractured; each fracture zone correlates with elevated oil and gas mudlog shows
- Hydrocarbon-filled porosity and permeabilities of Whangai exceed the minimum standard thresholds for unconventional reservoirs
- Whangai Formation has low clay content, indicating fracture stimulation can be highly effective
- Vitrinite reflectance places Whangai source rocks in the oil/condensate window, correlating well with the 50-degree API oil seeps in the Basin
- Intercepted a lateral equivalent of the true organic rich Whangai source rocks indicating that the Whangai source rocks have lateral variations as expected

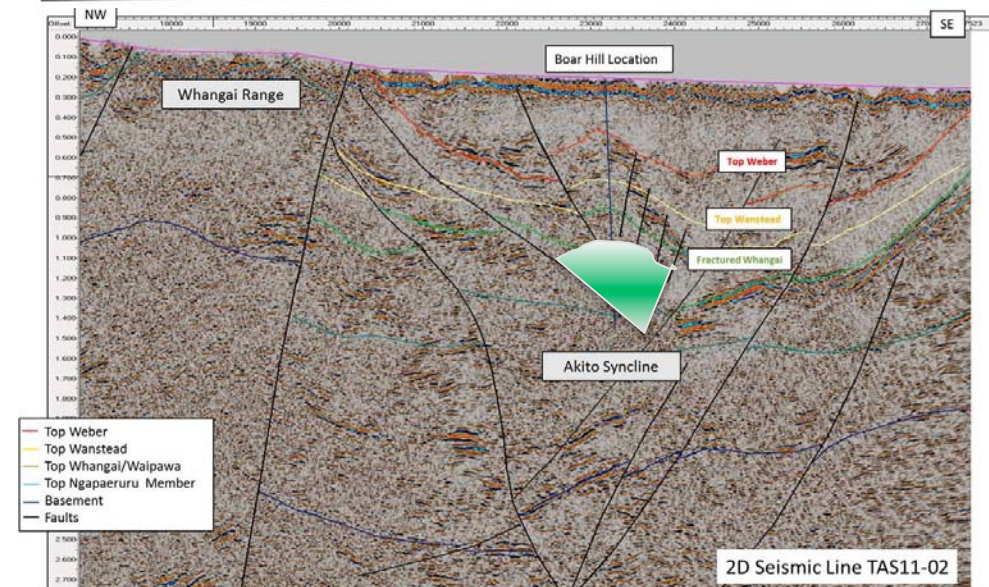
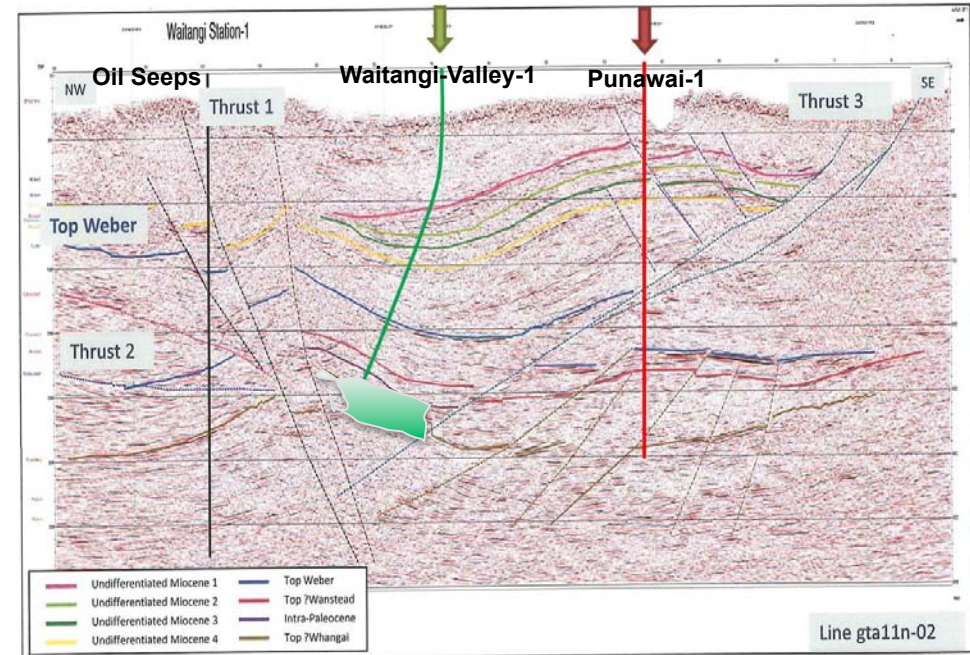
Additional East Coast Basin Wells

Waitangi Valley-1

- Spudded July 2014 near historic shallow Waitangi-1 well, with 50 degree API oil
- Targeted deeper basinal setting than Ngapaeruru-1, to identify increased TOC contents of the reservoir
- Well P&A due to shallow, high pressure hydrocarbon zones encountered; data review underway
- Potential for Waitangi Valley-2 will follow
- Punawai-1 well is also fully consented within the permit area 3.5 km's away

Boar-Hill-1

- Depth of 3,400 meters
- Expected to be optimally located to encounter high quality source rocks
- 24 km's West of Ngapaeruru-1



Undiscovered Resources(1)

Undiscovered Hydrocarbon-In-Place (“OOIP”), equivalent to undiscovered resources or undiscovered resource potential is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. There is no certainty that any portion of the undiscovered resources will be discovered or that, if discovered, it will be economically viable or technically feasible to produce.

Development and exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. TAG's future success in exploiting and increasing its current reserve base will depend on its ability to develop its current properties and on its ability to discover and acquire properties or prospects that are capable of commercial production. However, there is no assurance that TAG's future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil and natural gas. In addition, even if further hydrocarbons are discovered, the costs of extracting and delivering the hydrocarbons to market and variations in the market price may render uneconomic any discovered deposit. Geological conditions are variable and unpredictable. Even if production is commenced from a well, the quantity of hydrocarbons produced inevitably will decline over time, and production may be adversely affected or may have to be terminated altogether if TAG encounters unforeseen geological conditions. TAG is subject to uncertainties related to the proximity of any reserves that it may discover to pipelines and processing facilities. It expects that its operational costs will increase proportionally to the remoteness of, and any restrictions on access to, the properties on which any such reserves may be found. Adverse climatic conditions at such properties may also hinder TAG's ability to carry on exploration or production activities continuously throughout any given year.

The significant positive factors that are relevant to the resource estimate are:

- proven production in close proximity;
- proven commercial quality reservoirs in close proximity; and
- oil and gas shows while drilling wells nearby.

The significant negative factors that are relevant to the resource estimate are:

- tectonically complex geology could compromise seal potential; and
- seismic attribute mapping in the three deep liquids-rich gas plays can be indicative but not certain in identifying a proven resource

The term “barrels of oil equivalent” or “boe” may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet (6 mcf) to one barrel (1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Resource Estimates(2)

The resource estimates in this document prepared by Sproule International Limited have an effective date of September 30, 2007, May 31, 2011, and July 31, 2013, by TAG professionals prepared internally have an effective date of July 31, 2013, March 19, 2014, and July 16, 2014, and by AJM Petroleum Consultants have an effective date of September 1, 2008. Each is a qualified reserves evaluator in accordance with NI 51-101 and the COGE Handbook.

Low Estimate is considered to be a conservative estimate of the quantity of the in-place volumes. It is likely that the actual in-place volumes will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the in-place volumes will equal or exceed the low estimate.

Best Estimate is considered to be the best estimate of the in-place volumes that will actually be present. It is equally likely that the actual in-place volumes will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the in-place volumes will equal or exceed the best estimate.

High Estimate is considered to be an optimistic estimate of the in-place volumes. It is unlikely that the actual in-place volumes will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the actual in-place volumes will equal or exceed the high estimate.

Forward Looking Statements and BOE

Statements contained in this document that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. Such statements can generally, but not always, be identified by words such as “expects”, “plans”, “anticipates”, “intends”, “estimates”, “forecasts”, “schedules”, “prepares”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur.

All estimates and statements that describe TAG's financial performance, recovery factors, objectives, goals, guidance, forecasts, production, behind-pipe, decline rates, or future plans relating to drilling and infrastructure operations in the Taranaki, Canterbury and East Coast Basins are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. Actual results may vary materially from the information provided in this release, and there is no representation by TAG that the actual results realized in the future will be the same in whole or in part as those presented herein.

Other factors that could cause actual results to differ from those contained in the forward-looking statements are also set forth in filings that TAG and its independent evaluator have made, including TAG's most recently filed reports in Canada under National Instrument 51-101, which can be found under TAG's SEDAR profile at www.sedar.com. TAG undertakes no obligation, except as otherwise required by law, to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors change.

TAG has adopted the standard of six thousand cubic feet of gas to equal one barrel of oil when converting natural gas to “BOEs.” BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.



Thank You

TAG Oil Ltd.
885 West Georgia Street, Suite 2040
Vancouver, BC
V6C 3E8 Canada
1-604-682-6496
www.tagoil.com

TAG Oil

TSX : TAO | OTCQX : TAOIF