

## **TAG Oil Reports Ngapaeruru-1 Exploration Well Progress in New Zealand's East Coast Basin**

Vancouver, B.C. – May 7, 2013 – TAG Oil Ltd. (TSX: TAO) and (OTCQX: TAOIF), is pleased to report that drilling of TAG's 100%-controlled Ngapaeruru-1 exploration well is drilling ahead, and has encountered elevated mud gas readings at a depth of 800 to 977 meters. The significance of the elevated gas readings will not be known until wireline logs have been run and evaluated.

The Ngapaeruru-1 well has reached intermediate casing point at 977 meters with operations continuing according to the drill plan. The planned total depth of the Ngapaeruru-1 well is approximately 1800 meters and is targeting the naturally fractured Waipawa Black Shale and Whangai source-rocks.



**Ngapaeruru-1 drilling site, East Coast Basin**

"We've passed a couple of critical drilling challenges successfully in the Ngapaeruru-1 well now, including cementing intermediate casing across the troublesome Weber and Wanstead Formations. TAG can now drill confidently ahead into the Waipawa and Whangai source rock targets." Drew Cadenhead, TAG's C.O.O. commented. "We've had to increase the mud weights considerably as we drill deeper, and we continue to see rising mudlog gas readings, including the oil-indicative C3-C5 factions, which is encouraging. The

"oil kitchen" in these source rocks is definitely working below us - it promises to be interesting drilling over the next couple of weeks."

The Ngapaeruru-1 well was spudded on April 22, 2013 and is located in TAG's 100% controlled Petroleum Exploration Permit 38349, located in the East Coast Basin of New Zealand.

For further information on the Ngapaeruru-1 exploration well and TAG Oil's unconventional prospects please visit: <http://www.tagoil.com/20130422-TAG-Oil-First-Oil-And-Gas-Exploration-Well-East-Coast-Basin.asp>

### **TAG Oil Ltd.**

**TAG Oil** Ltd. (<http://www.tagoil.com/>) is a Canadian-based production and exploration company with operations focused exclusively in New Zealand. With 100% ownership over all its core assets, including extensive oil and gas production infrastructure, TAG is enjoying substantial oil and gas production and reserve growth through development of several light oil and gas discoveries. TAG is also actively drilling high-impact exploration prospects identified across more than 2,984,171 net acres of land in New Zealand.

In the East Coast Basin, TAG will explore and potentially develop the major unconventional resource potential believed to exist in the tight oil source-rock formations that are widespread over the Company's acreage. These oil-rich and naturally fractured formations have many similarities to North America's Bakken source-rock formation in the successful Williston Basin.



**For further information:**

Dan Brown or Garth Johnson

TAG Oil Ltd., 1-604-682-6496

Email: [info@tagoil.com](mailto:info@tagoil.com)

Website: <http://www.tagoil.com/>

Blog: <http://blog.tagoil.com/>

**Cautionary Note Regarding Forward-Looking Statements:**

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. Such statements can be generally, but not always, 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 the Company’s objectives, mudlog gas readings, oil indicators, drilling, goals and or future plans with respect to the drilling in the East Coast Basin forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties including, without limitation: risks associated with oil and gas exploration, development, exploitation and production, geological risks, marketing and transportation, the risk associated with estimating undiscovered original initially-in-place, availability of adequate funding, volatility of commodity prices, environmental risks, competition from others, and changes in the regulatory and taxation environment. Actual results may vary materially from the information provided in this release, and there is no representation by TAG Oil 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](http://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.