



TSX: TAO

OTCQX: TAOIF

TAG Oil Updates Cheal-E6 and Cheal-E7 Wells

Vancouver, B.C. – December 15, 2014 – TAG Oil Ltd. (TSX: TAO) and (OTCQX: TAOIF), is pleased to report progress of the Cheal-E-JV-6 well (Cheal-E6) and Cheal-E7 wells, located in New Zealand's Taranaki Basin where TAG Oil has extensive oil and gas operations. These new wells continue to demonstrate the prospectivity and the potential for further success in TAG's Cheal acreage, which remains relatively lightly explored.

Cheal-E6 Well Testing Operations:

Over a period of eleven days the Cheal-E-JV-6 well (Cheal-E6) continues to naturally free flow under a 16/64 choke at stable rates. During the test period Cheal-E6 (TAG: 70%) produced an average of 325 boe/d (81% oil) for a total of 3,178 barrels of oil and 4,456 mscf of gas. The well will be shut-in for a planned pressure build-up test up for a period of three days and then will resume ongoing production into TAG's production facilities.

Cheal-E7 Drilling Operations:

TAG has completed drilling of the Cheal-E7 well (TAG: 100%) to a total depth of 1,921 meters (6,302 feet), and interpretations of electric logs indicate the well has intersected over 10.6 meters (34.78 feet) of net oil- and gas-bearing sands in the Mt. Messenger Formation, the main objective of the well. Cheal-E7 is being completed as a potential oil well with production testing to begin in early 2015, and if economic, will be immediately commercialized through TAG's 100%-owned production infrastructure.

TAG Oil Ltd

TAG Oil Ltd. (<http://www.tagoil.com/>) is a Canadian-based oil and gas company with extensive operations in New Zealand. With 100% ownership over its core producing assets, including production infrastructure and associated pipeline, TAG is enjoying organic growth and shareholder value creation through development of its oil and gas discoveries. As New Zealand's leading explorer, TAG is focused on increasing reserves and production from low-risk development prospects and high-impact resource plays prospective for large oil and gas discovery in New Zealand.

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BOEs:

TAG Oil 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.

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, be identified by words such as "expects", "plans", "anticipates", "intends", "estimates", "forecasts", "guidance", "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, goals, forecasts, guidance, production rates, test rates, optimization, timing of operations, increased pace of drilling, statements regarding prospects being drill ready and/or future plans with respect to the drilling and field optimization work in the Taranaki Basin are 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, availability of adequate funding, volatility of commodity prices, environmental risks, competition from other producers, 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 would 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 NI 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.