



TAG Announces its Third New Light Oil and Gas Discovery in Five Months, in New Zealand's Taranaki Basin

Vancouver, B.C. – March 14, 2011 – Canadian listed TAG Oil Ltd. (TSX-V, trading symbol: TAO) is very pleased to report that the sidetracked **Sidewinder-2** well is confirmed as a multi-zone, light oil and gas discovery, encountering 47 meters (154 feet) of high quality, oil-and-gas-bearing sandstones within the Mt. Messenger Formation. This discovery is located in TAG Oil's 100%-controlled Petroleum Exploration Permit 38748, in the onshore Taranaki Basin, North Island, New Zealand, and is TAG's third new light oil and gas discovery within the last five months.

The Sidewinder-2 sidetrack well was drilled to a total depth of 1597 meters (5238 feet), and encountered 47 meters (154 feet) of net oil-and-gas-bearing sandstones, including "free oil" observed over the shakers during the drilling operation from multiple potential pay zones. Furthermore, electric log data indicates these zones have excellent reservoir qualities.



While this well has intersected and extended the area of the main Sidewinder-1 discovery zone, Sidewinder-2 has also encountered five separate oil-and-gas-charged pay zones, both above and below the primary target.

"We're very pleased to find such a significant showing from this well," said Garth Johnson, TAG Oil CEO. "This most recent discovery continues to support our contention that TAG's onshore acreage in Taranaki is located in a highly prospective oil-charged fairway. We've only just begun our exploitation of this acreage and the possibility for additional discoveries is exciting."

As a result of this latest oil and gas discovery, TAG will immediately begin preparations for flow testing, which will occur in the coming weeks. All additional production will be brought on-line at TAG Oil's 100%-owned Sidewinder Production Station, currently under construction and projected to be completed in mid-2011.

Finally, TAG Oil is pleased to announce that drilling of the Sidewinder-3 exploration well will be immediately initiated from the same drilling pad, targeting a separate 3-D seismic anomaly to the south of the existing Sidewinder discoveries.

Please see <http://www.tagoil.com/20101103-TAG-Oil-Announces-Strong-Results-at-Sidewinder-1-Flow-T.asp> for more information on the Sidewinder-1 discovery.

TAG Oil Ltd.

TAG Oil Ltd. is a Canadian-listed production and exploration company with operations focused in New Zealand. With 100% control over all its core assets, including oil and gas production infrastructure, TAG is anticipating substantial near term 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 3,500 sections of land onshore in the lightly explored Taranaki and East Coast Basins of North Island.

In the East Coast Basin, TAG Oil has demonstrated and is pursuing the significant unconventional resource potential estimated in the fractured shale source-rock formations that are widespread over the Company's acreage. These oil-rich, naturally fractured and thermally mature source-rock formations have many similarities to North America's Bakken Shale source-rock formation in the successful Williston Basin.

Contact

Dan Brown or Garth Johnson, TAG Oil Ltd. 1-604-682-6496
Website: <http://www.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 Oil. These statements are based on certain factors and assumptions including those related to the exploration and development of TAG Oil's Sidewinder-1 and Sidewinder-2 sidetrack well, the Cheal oil field and appraisal drilling related to the Sidewinder discovery in the Taranaki Basin of New Zealand. Actual results may vary materially from the information provided in this release and there is no representation by TAG Oil that actual results realized in the future would be the same in whole or in part as those presented herein.

Factors that could cause actual results to differ from those contained in the forward-looking statements are set forth in, but are not limited to, filings that the Company and its independent evaluator have made, including the Company's most recent reports in Canada under National Instrument 51-101.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.