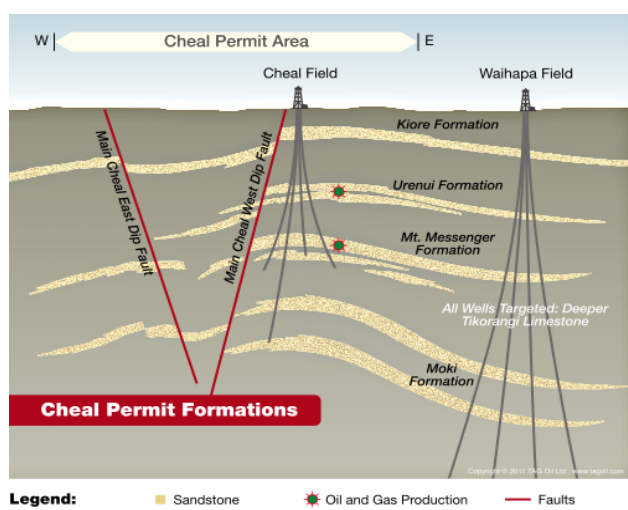




TAG Announces New Light Oil Discovery, Taranaki Basin, New Zealand

Vancouver, B.C. – March 3, 2011 – Canadian listed TAG Oil Ltd. (TSX-V, Trading Symbol: TAO) is very pleased to report that the **Cheal-B4ST** well is a multi-zone light oil discovery. The Cheal-B4ST well is located in TAG Oil's 100%-controlled Petroleum Mining Permit 38156 (PMP 38156), in the Taranaki Basin, North Island New Zealand.

Cheal-B4ST was drilled to a total depth of 1810 meters (5937 feet), encountering 17 meters (55.7 feet) of net oil-bearing sandstones within the Urenui and Mt. Messenger Formations. Electric logs indicate four separate zones are likely to be oil-charged with excellent porosity and permeability.



TAG reports that two of the four zones intersected are oil-bearing zones never before encountered in wells within PMP 38156, further demonstrating that the entire 7500-acre PMP 38156 area is oil-prone, with multiple shallow horizons prospective for discovery.

TAG will now complete the Cheal-B4ST well in preparation for flow testing in coming weeks.

The Cheal-B4ST well is the first in a series of high-impact exploration wells to be drilled in TAG Oil's onshore Taranaki Basin acreage.

To learn more about TAG Oil's production and exploration activities, please visit: <http://www.tagoil.com/new-zealand-operations.asp>

TAG Oil Ltd.

TAG Oil Ltd. is a Canadian-listed (TSX-V: TAO) 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 production growth through development of multiple oil and gas discoveries in the Taranaki Basin. TAG is also targeting high-impact drilling opportunities on numerous exploration prospects identified over 3,500 sections of land onshore.

In the East Coast Basin, TAG is pursuing the significant unconventional resource potential that has been demonstrated in the Waipawa Black Shale and Whangai Shale source-rock formations. These oil-rich, naturally fractured formations compare favorably to fractured shale formations such as the Bakken Shale in the Williston Basin.

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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 Cheal-B4ST 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.

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