



TSX: TAO
OTCQX: TAOIF

TAG Oil Announces Abandonment Plans at Waitangi Valley-1 and Return to Drilling of Core Production Assets in Taranaki

Vancouver, B.C. – September 16, 2014 – TAG Oil Ltd. (TSX: TAO and OTCQX: TAOIF), reports the Company has agreed that after encountering extreme drilling conditions, including high-pressure shallow hydrocarbon zones, in the interest of safety, the surface section of the Waitangi Valley-1 well, located in Petroleum Exploration Permit 38348, will be plugged and abandoned.

CEO Garth Johnson commented; “Waitangi Valley-1 encountered very high hydrocarbon zone pressures at shallow depths that cannot easily be compared to anywhere else in the world. We understood this program would be challenging and we encountered extremely difficult drilling conditions in the first 856m of drilling. After consulting with worldwide drilling experts and considering all data ourselves, we have made a difficult decision to plug and abandon Waitangi Valley-1 before reaching the intended total depth of 3600m, to maintain the safety and integrity of the operation. The well will be abandoned following all regulatory requirements and with no environmental issues encountered to date. The Company’s previous guidance for fiscal year 2015 did not include any anticipated production or cash-flow from the Waitangi Valley-1 well.”

The Company will now mobilize the Nova-1 drilling rig and ancillary services back to Taranaki to focus on its core oil producing assets at Cheal in Q3 of fiscal year 2015 ending December 31, 2014 as previously disclosed and as detailed in the table below:

Permit Number	Well Name	TAG Working Interest
PEP 54877	Cheal-E-JV-6	70%
PMP 38156	Cheal-E7	100%
PMP 38156	Cheal-E8	100%

Conference Call Recording

TAG Oil hosted a discussion on Tuesday, September 16, 2014 at 5:00 am Pacific Time. Interested parties may access the conference call recording at http://www.tagoil.com/TAG-Conference-Call_09-16-14.asp or dial in via phone for a recording.

Replay Dial-in Information

Available Until: 09/23/2014 11:59 PM PT
Toll-Free U.S. Dial-in #: 888-286-8010
Secondary Dial-in #: 617-801-6888
Passcode: 32057157



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 significant organic value creation through exploration success and ongoing development and appraisal drilling of several light oil and gas discoveries. As New Zealand's leading explorer, TAG actively drills high-impact conventional and unconventional exploration prospects identified in the Taranaki Basin, East Coast Basin and Canterbury Basin that covers 2.8 million net acres of land, prospective for major discovery in New Zealand.

For further information:

Dan Brown or Garth Johnson
Phone: 1-604-682-6496
Email: 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, goals, forecasts, guidance, production rates, test rates, optimization, timing of operations, and or future plans with respect to the drilling in the Taranaki Basin and the Waitangi Valley-1 well located in the East Coast 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.