



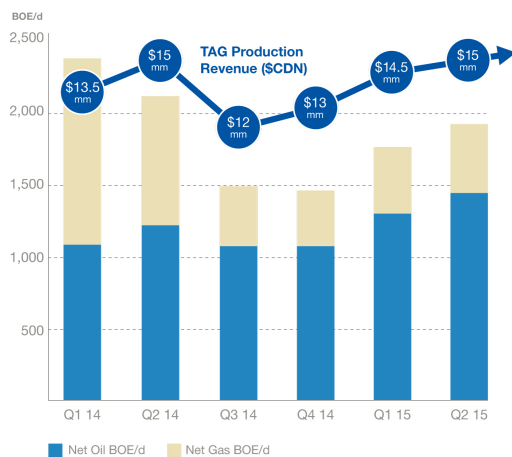
TSX: TAO

OTCQX: TAOIF

TAG Oil Reports Consistent Production Growth and Record Quarterly Revenue

Vancouver, B.C. – November 14, 2014 – TAG Oil Ltd. (TSX: TAO) and (OTCQX: TAOIF), is pleased to announce the Company achieved record operating revenue of \$16.2 million for the second quarter ending September 30, 2014, up from \$15.5 million in the first quarter, in combination with consistent production growth averaging 1,845 barrels of oil equivalent per day (78% oil) during Q2 operations and 1,990 (76% oil), boe/d in October 2014.

TAG Oil Avg. Daily Production & Revenue Per Qtr



Based on the growing oil production trends from its Taranaki Basin operations, TAG is pursuing a number of alternatives with a view to materially grow the Company's high netback oil production. These include continued low-risk development drilling, low-cost optimization of bypassed oil pay, and acceleration of development and step out drilling in core discovery areas. At the same time, TAG will minimize risk and working capital spent on non-producing assets and seek alternative methods for funding high-risk, high-reward drilling.

TAG CEO Garth Johnson commented, "I am pleased that TAG continues to achieve excellent results, steady oil production growth and organic value creation for our shareholders. We have now recorded four consecutive quarters of increased revenues, generating net income of \$5.1 million during the quarter and \$8.8 million for the six months to date." Mr. Johnson continues, "We are proud of these achievements and look forward to leveraging TAG's strong corporate and dominant operational position in New Zealand. New Zealand is the perfect backdrop for us to grow – where the Company can enjoy the benefits of a high-impact international portfolio without the political risk in other underexplored regions of the world."

SEPTEMBER 30, 2014 HIGHLIGHTS (fiscal year end March 31)

- Revenue for the first six months was \$31.8 million from \$30.6 million over the same period last year.
- Operating netback increased by 28% for the first six months to \$69.25 per boe from \$54.14 per boe over the same period last year due to increasing oil production.
- Cashflow provided from operating activities increased by 6% for the first six months of fiscal year 2015 to \$15.0 million from \$14.2 million over the same period last year.
- Net income before taxes increased by 49% for the first six months of fiscal year 2015 to \$8.8 million from \$5.9 million over the same period last year.
- TAG retained \$40.9 million in cash and cash equivalents, and \$45.8 million in working capital.
- Average net daily production increased for the quarter ended September 30, 2014 to 1,845 boe/d (78% oil) from 1,750 boe/d (74% oil) for the quarter ended June 30, 2014, and 1,486 boe/d (72% oil) for the quarter ended March 31, 2014.



- Record net oil production volumes achieved, averaging 1,437 bbl/d (+408 boe of gas) for the quarter.
- TAG advanced and/or completed a number of projects in the quarter that incurred capital expenditures of \$11.1 million, compared to \$11.4 million in Q1 and \$14.5 million for the same quarter last year.

FINANCIAL RESULTS SUMMARY

	2015			2014			2013	
<i>Canadian \$000s, except per share or boe</i>	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net production volumes (boe/d)	1,845	1,750	1,486	1,527	2,100	2,354	1,691	1,727
Total revenue	16,179	15,571	14,025	12,939	15,885	14,698	12,298	10,851
Operating costs	(6,213)	(5,721)	(5,706)	(4,579)	(4,826)	(4,955)	(3,948)	(3,289)
Foreign exchange	1,206	(312)	2,246	(167)	(1,012)	146	426	(69)
Stock based compensation	(356)	(44)	(175)	(377)	(559)	(938)	(1,276)	(2,004)
Other costs	(5,669)	(5,804)	(4,562)	(4,845)	(7,046)	(5,431)	(7,483)	(4,850)
Net income (loss) before tax	5,147	3,690	5,828	2,971	2,412	3,521	17	639
Basic income (loss) \$ per share (BT)	0.08	0.06	0.09	0.05	0.04	0.06	0.00	0.01
Diluted income (loss) \$ per share (BT)	0.08	0.06	0.09	0.05	0.04	0.06	0.00	0.01
Capital expenditures	11,126	11,370	22,767	20,959	14,466	12,349	20,032	21,116
Operating cash flow (1)	9,702	7,715	6,774	6,101	8,562	8,468	18,136	5,611

(1) Operating cash flow is a non-GAAP measure. It represents cash flow from operating activities before changes in working capital

TAG currently has 63,221,052 common shares outstanding and 67,816,386 common shares outstanding on a fully diluted basis.

OIL AND NATURAL GAS PRODUCTION PRICING AND REVENUE

	2015	2015	2014	Six months ended	
Daily production volumes (1)	Q2	Q1	Q2	2015	2014
Oil (bbls/d)	1,437	1,296	1,209	1,367	1,143
Natural gas (boe/d)	408	454	891	431	1,084
Combined (boe/d)	1,845	1,750	2,100	1,798	2,227
% of oil production	78%	74%	58%	76%	51%
Daily sales volumes (1)					
Oil (bbls/d)	1,447	1,282	1,227	1,364	1,142
Natural gas (boe/d)	176	202	782	189	948
Combined (boe/d)	1,623	1,484	2,009	1,553	2,090
Natural gas (mmcf/d)	1,056	1,213	4,694	1,134	5,687
Product pricing					
Oil (\$/bbl)	110.09	118.57	113.30	113.45	109.42



Natural gas (\$mcf)	5.32	5.60	5.18	5.08	5.50
Oil and natural gas revenues (3) - gross (\$000s)	15,008	14,375	15,023	29,383	28,600
Oil & natural gas royalties (2)	(1,361)	(1,275)	(1,633)	(2,636)	(3,107)
Oil and natural gas revenues - net (\$000s)	13,647	13,100	13,390	26,747	25,493

(1) Natural gas production converted at 6 Mcf:1BOE (for BOE figures)

(2) Relates to government royalties and includes an ORR of 7.5% royalty related to the acquisition of a 69.5% interest in the Cheal field

(3) Oil and Gas Revenue excludes electricity revenue related to Coronado Resources

OPERATIONS UPDATE AND OUTLOOK FOR FISCAL YEAR 2015

As announced in [May 2014](#), TAG's capital budget for fiscal year 2015 was \$60 million; funded by forecasted cash flow of \$40 million for the year and working capital on hand. The Company has amended the capital budget to reduce spending to \$43 million for the 2015 fiscal by extending the timing of certain higher risk work commitments to fiscal year 2016/17 in order to maintain a strong balance sheet while continuing to build production as previously guided.

Near-term operations are scheduled as follows:

Permit Number	Well Name	TAG Working Interest	Date
PEP 54877	Cheal-E-JV-6 development	70%	Nov 2014
PMP 38156	Cheal-E7 appraisal	100%	Dec 2014
PEP 54877	Recomplete Cheal-E-JV-2	70%	Jan 2015
PMP 38156	Build Cheal E to A pipeline	100%	Feb 2015
PMP 38156	Cardiff-3 uphole test	100%	Mar 2015
PEP 38748	Sidewinder-B1	100%	Apr 2015
PEP 38748	Sidewinder-B2	100%	May 2015

TAG's operations to date have met management's expectations and have provided confirmation of the Company's ability to grow profitable oil production through a focus on development and appraisal drilling at the Cheal and Sidewinder fields. TAG's business plan allows management some flexibility that is needed to maintain a strong balance sheet, without sacrificing the Company's growth objectives by using cash flow to fund low-risk shallow drilling in Taranaki in combination with a higher-risk / higher reward operations when the Company can afford to do so.

TAG also announces the filing of the Company's unaudited condensed consolidated interim financial statements and management discussion and analysis with the Canadian Securities Administrators relating to results for the Company's second quarter fiscal 2015 year, ending September 30, 2014. Copies of these documents can be obtained electronically at <http://www.sedar.com>, or for additional information please visit TAG Oil's website at <http://www.tagoil.com/>.

Conference Call Information

TAG Oil will host a discussion of its Q2 fiscal 2015 financial results on Monday, November 17, 2014 at 12:00 pm Pacific Time. Please call in ten minutes before the conference call starts and stay on the line (an operator will be available to assist you should you have questions of management during the call). In addition, questions can be forwarded by e-mail in advance to info@tagoil.com.



Interested parties may access the conference call using the information below:

Date November 17, 2014
Time 12:00 PM Pacific Time
Toll-Free Dial-in # 1-866-825-3209
Secondary Dial-in # 1-617-213-8061

Conference Passcode 99099623

E-mail questions to: info@tagoil.com

Replay Dial-in Information

Available From 11/17/2014 03:00 PM PT
Available To 11/24/2014 11:59 PM PT
Toll-Free Dial-in # 1-888-286-8010
Secondary Dial-in # 1-617-801-6888
Conference Passcode 96867099

TAG Oil Ltd.

TAG Oil Ltd. (<http://www.tagoil.com/>) is a Canadian-based production and exploration company with extensive operations in New Zealand. With 100% ownership over all its core assets, including extensive state-of-art 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 within the Company's Taranaki Basin, East Coast Basin and Canterbury Basin acreage which is prospective for major discovery in New Zealand.

For further information:

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

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, 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, East Coast and Canterbury Basins 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.