

Drilling Update #4: Pukatea-1, New Zealand

Key Points:

- Preliminary analysis of wireline log data over the secondary Mt. Messenger target suggests at least one potentially oil-charged zone with moveable hydrocarbons, excellent porosity and permeability
- Tag Oil (Operator), considers it highly probable that production from this Mt. Messenger zone will be monetized
- Proceeding to drill towards the deeper high impact Tikorangi Limestone target

MELBOURNE, AUSTRALIA (13 February 2018)

Melbana Energy Limited (ASX: **MAY**) (“**Melbana**” or “the **Company**”) is pleased to provide the following update with respect to the drilling of the Pukatea-1 exploration well in New Zealand onshore permit PEP 51153.

Preliminary review of wireline log data acquired over the Mt Messenger secondary target indicates a total of 4.5mTVT (5.9mMD) of net oil pay over a 10.4mTVT (13.7mMD) gross interval has been penetrated. Net pay interpreted within the well is in line with predrill expectations and comparable with Puka-1 and 2.

The Operator (TAG Oil) has released the attached update on the Mt Messenger logging results.

Melbana Energy’s CEO Robert Zammit commented on the announcement:

“This is an excellent result from what was our secondary objective in this well. When combined with our currently suspended Puka-2 well, the opportunity to return Melbana to being a modest producer has taken a significant step forward.”

Attachment: TAG Oil (Operator) release of 12 February, 2018



TSX: TAO

OTCQX: TAOIF

TAG Oil Updates Pukatea-1 Exploration Well

Vancouver, B.C. – February 12, 2018 - TAG Oil Ltd. (the "Company" or "TAG Oil") (TSX: TAO and OTCQX: TAOIF) is pleased to provide a positive update on its Pukatea-1 exploration well, which was spudded on January 24, 2018. The Pukatea-1 well is located in TAG Oil's operated Puka permit (PEP 51135, 70% TAG Oil) in the Taranaki Basin of New Zealand.

Intermediate casing has been set and TAG Oil anticipates that it will take approximately seven to ten more days to reach the top of the primary deep Tikorangi Limestone formation target. The total current planned depth of the well is ~3,170m measured depth.

Potential oil pay encountered in the Mt. Messenger Formation

Pukatea-1 has encountered potential oil pay in the well's secondary Mt. Messenger target ~10.4m of true vertical thickness (~13.7m measured) gross sandstone within the shallower Mt. Messenger formation target at a depth of ~1,618m measured depth. Electric log data analysis indicates that there is at least one potentially oil-charged zone with movable hydrocarbons, excellent porosity and permeability. Maximum total gas reached 19.2%, good oil fluorescence was observed, and clean sand similar to the Puka-2 well was also observed by the wellsite geologist.

Toby Pierce, TAG Oil's CEO, commented, "We are very pleased so far with the results from the Mt. Messenger sands. It is highly probable that we can produce from the Mt. Messenger zone in this well in due course and, along with the shut-in Puka-2 wellbore, will allow us to monetize this asset at the appropriate time. Further, the well is currently on budget and schedule, and we are excited ahead of penetrating the primary Tikorangi target in approximately one week's time. Finally, TAG Oil expects to release its Q3/18 results on the morning of February 14, 2018, and will update the market immediately following definitive results from the primary Tikorangi exploration target in due course."

Pukatea-1 Weekly Report

Permit:	PEP 51153
Well Type:	Exploration
Location:	Onshore Taranaki Basin, New Zealand
Interest holders:	Melbana Energy 30%, TAG Oil (Operator) 70%
Primary Target:	Tikorangi Limestone
Secondary Target:	Mount Messenger Sandstones
Rig:	Nova Rig 1
Date Drilling Commenced:	14:00 Hrs (NZDT), 24 January, 2018
Planned Total Depth:	Approx. 3170m measured depth
Progress Report Date:	06:00 Hrs (NZDT), 12 February 2018
Current Depth:	1902 m MD
Current Formation:	Manganui Fm shales
Prognosed Time to Completion:	33 Days from Spud
Operations Since Last Report:	Drilled 311mm (12-1/4") directional hole to the current depth of 1902m, ran wireline logs, ran and cemented 244mm (9-5/8") casing.
Forward Operations:	Drill 216mm (8-1/2") deviated hole to the 178mm (7") casing point at the top of the Tikorangi Limestone primary target.

Background:

The Pukatea-1 well is located approximately 50 km south of New Plymouth and 2.5 km east of the Waihapa Oil Field. The well is forecast to take approximately 33 days to reach the anticipated total depth of 3170m MDRT (2537m TVD subsea) and has been planned as a deviated well to intersect the Primary Tikorangi Limestone target from the Puka production pad. A secondary objective of the well is to appraise the extent of the Mount Messenger oil pool, previously discovered by the Puka-1 well in 2012.

