

Drilling Update #6: Pukatea-1, New Zealand

Key Points:

- Well has reached a final total depth of 3100m. Encouraging intermittent hydrocarbon shows in the interval from 2520 to 2680m to be logged and evaluated
- The targeted Tikorangi Limestone reservoir was not intersected at the final total depth
- Planning commenced for a future production test of the successful result at the secondary Mt. Messenger oil zone target to enable assessment of the potential for restart of suspended Puka field production

MELBOURNE, AUSTRALIA (27 February 2018)

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

Pukatea-1 has reached a final total depth of 3100mMD after penetrating a thickened overlying interval without intersecting the Tikorangi Limestone target. Approximately 160m of intermittent hydrocarbon shows were recorded within the section between 2520 and 2680 metres (measured depth). A similar interval is present in several of the offsetting wells to Pukatea-1, specifically Hu Road-1 and Waihapa-6 and the Joint Venture is sufficiently encouraged to run wireline logs to evaluate these shows and provide more information and clarity around this interval.

Further to the successful Mt. Messenger secondary target oil zone result previously reported, the Joint Venture is planning to plug the well back to the Mt. Messenger oil zone and complete the well to enable a future production test to evaluate the oil zone as a potential future oil producer. A successful test result of the Mt. Messenger oil zone will greatly enhance the likelihood of a restart of oil production from the currently suspended Puka oil field.

The Operator’s update on the Pukatea-1 exploration well is attached.

Robert Zammit
Chief Executive Officer



TSX: TAO
OTCQX: TAOIF

TAG Oil Updates Pukatea-1 Exploration Well

Vancouver, B.C. - February 26, 2018 - TAG Oil Ltd. (the "Company" or "TAG Oil") (TSX: TAO and OTCQX: TAOIF) is pleased to provide the following update with respect to TAG Oil's operated Pukatea-1 exploration well located in the Puka permit (PEP 51135, 70% TAG Oil) in the Taranaki Basin of New Zealand.

Pukatea-1 has reached a final total depth of ~3,100m measured depth after penetrating a (faulted) thickened overlying interval of basement rock without intersecting the Tikorangi Limestone formation. TAG Oil is encouraged by the intermittent hydrocarbon shows that were recorded within the section between ~2,520m and ~2,680m measured depth, and will proceed to run detailed electric wireline logs to evaluate these shows and the entire interval to ~3,100m.

Furthermore, as a result of the previously reported potential oil pay in the well's Mt. Messenger secondary target oil zone, following wireline logging, TAG Oil is planning to initially focus on the Mt. Messenger oil zone and complete the well to enable a future production test. This will allow the Company to evaluate the production potential of the Mt. Messenger oil zone, and a successful test could also result in restarting oil production from the currently suspended Puka oil field.

Toby Pierce, TAG Oil's CEO, commented, "We are encouraged by approximately 160m of intermittent hydrocarbon shows below the Mt. Messenger section. A similar interval is present in several of the offsetting wells to Pukatea-1, specifically Hu Road-1 and Waihapa-6, and wireline logs will give us more information and clarity around this interval and whether it is worth investigating further. Also, I would like to thank our team for their hard work in getting the well drilled safely, on budget, and on schedule directionally to a depth of approximately 3,100m."