

Tag Oil

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TAG Oil bolsters exploration portfolio in Taranaki Basin with 2 new permits

TAG Oil (TSE:TAO) (OTCQX:TAOIF) has increased its exploration interests in its core operating area of the Taranaki Basin of New Zealand after being awarded two new onshore permits.

New Zealand Petroleum and Minerals awarded the Canadian oil and gas producer a 100 percent interest in two new onshore Taranaki Basin permits: 57065, known as Sidewinder North, and 57063, known as Waititi, according to a statement released earlier today.

The permits add a combined 36,781 acres to TAG's Taranaki Basin portfolio, and are located in an established oil and gas production fairway near producing oil and gas fields, TAG said.

The company, with these latest permits, now operates 10 exploration and production permits in the Taranaki, and a total of 16 including its 40 percent interest in shallow water offshore Taranaki and interests in the East Coast and Canterbury Basins.

"This new acreage falls within TAG's production back yard in the main Taranaki producing fairway, providing us with the opportunity to expand our core production area," said chief executive officer Garth Johnson.

"Low initial expenditure of less than \$100,000 per permit over the first year of the 10-year permit tenure allows TAG to cost effectively add to drilling inventory in coming years within the company's core production area," he added, also noting the ability to commercialize future wells quickly given its existing production infrastructure and pipeline network.

TAG said the new land, which has existing 2D and 3D seismic coverage, expands the scope and potential size of its Mt. Messenger and Urenui Formation drilling programs as well as provides potential for further deep, high impact leads.

Specifically, the Sidewinder North permit borders and potentially extends TAG's Sidewinder oil and gas discovery area, while the Waititi permit offers the opportunity to explore for both shallow Miocene oil and deep Eocene condensate-rich gas.

"A prior operator encountered significant elevated gas and oil shows while drilling the historical Pukearuhe-1 well within this new TAG permit," TAG said of the Waititi permit in the northern part of the Taranaki Basin.

TAG, which is focused on developing its core Cheal operations in the Taranaki Basin, recently said it successfully drilled its Cheal-E-JV-6 well, intersecting over 9 metres of net oil and gas bearing sands in the Mt. Messenger formation.

If economic, TAG said the well will immediately be brought onstream through its 100 percent owned production infrastructure. The Cheal-E site is a new oil pool discovery of particular interest for the company, as strong production continues to flow from TAG's Cheal-E1, Cheal-E4 and Cheal-E5 wells.

1 Year Share Price Graph



December 2019 March 2020 June 2020

Share Information

Code: TAO
Listing: TSX
Sector: Oil & Gas
Website: www.tagoil.com

Company Synopsis:

TAG Oil 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.

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TAG has said that its focus is to materially grow high netback oil production while minimizing risk and working capital spent on non-producing assets, seeking alternative ways to fund high risk drilling. It began its latest round of development drilling in November at its Taranaki fields.

Disclaimers

Analogous Information:

Certain information in this news release may constitute "analogous information" as defined in NI 51-101, including, but not limited to, information relating to areas with similar geological characteristics to the lands held by TAG. Such information is derived from a variety of publicly available information from government sources, regulatory agencies, public databases or other industry participants (as at the date stated therein) that TAG believes are predominantly independent in nature. TAG believes this information is relevant as the analogous information is nearby TAG's lands and it helps to define the reservoir characteristics in which TAG may hold an interest. TAG is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and in accordance with the COGE Handbook. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by TAG and there is no certainty that the reservoir data and economics information for the lands held by TAG will be similar to the information presented therein. The reader is cautioned that the data relied upon by TAG may be in error and/or may not be analogous to TAG's land holdings.

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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, be 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, statements regarding prospects being prospective for discovery and/or future plans with respect to the drilling in the Taranaki 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.

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