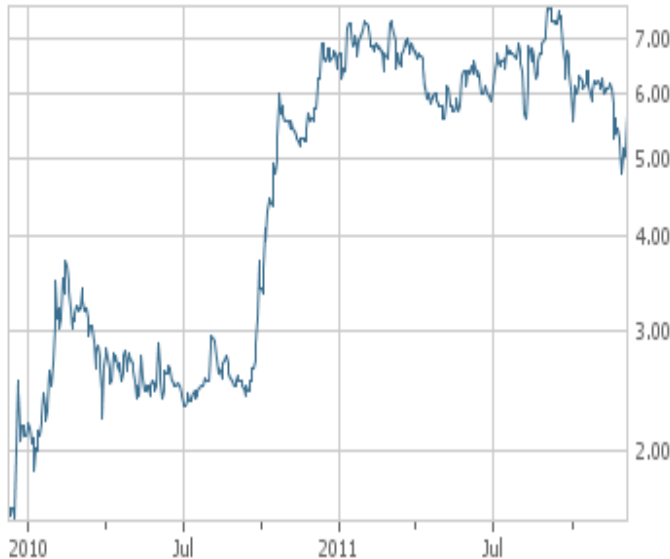


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December 5, 2011

TAG Oil Ltd. (TSX: T.TAO)



<b>TAG OIL</b>	<b>(T-TAO)</b>	<b>\$5.65 +0.61</b>
<b>SHOAL POINT ENERGY</b>	<b>(L-SHP)</b>	<b>\$0.21 +0.01</b>

It's been about two years since *Clive Stockdale*, the former oil and gas analyst that got us into Ultra Petroleum said we should be looking at *TAG Oil*. It's been a good idea so far, but the stock (as the chart shows you) has been falling off like just about everything else over the last few months...until today that is.

Today they announced their Cheal B5 well hit the mark flowing 1800 barrels a day over an initial 5-day test. Analyst Kevin Shaw, one of the analysts following the story writes enthusiastically, "Payback expected within weeks with this well already on production".

He writes, "The 5-day well test comes in at 1,700 bbls/d oil and 1 mmcf/d gas, un-stimulated."

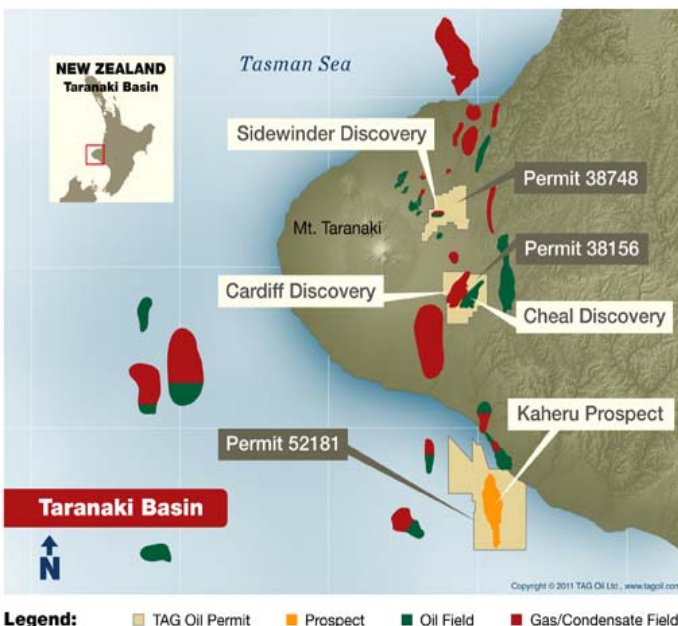
Shaw writes, "Cheal B5 comes in strong, on a record 20 meter continuous net-pay perforation out of the Mt. Messenger formation. Porosities averaging over 25% were encountered, and a 60% gas kick reinforces positive oil recovery factor expectations driven by gas drive from the formation. This latest Cheal well was immediately tied into the recently commissioned Cheal facility."

Shaw points out that the "Cheal assets are now producing ~2,700 boe/d, with new 18-well campaign expected to begin over the next 12-14 months." He also points out that some of the Sidewinder wells are expected to be brought on production over the next two months as well.

But this is not why we are in this play. We are in this play because Stockdale originally said their unconventional shale play has potential to be a huge winner. We have been waiting for them to get that for it seems like forever...another reminder that in oil and gas exploration, nothing ever happens on time and this is an extreme example.

The suggestions by some are that drilling won't start until February/March meaning results thereafter. But for those already in the stock, those results are all important. Some of the targets whispered about, should this play hit, are monstrous, but then that's why people get involved in risky plays.

**Meanwhile, for those looking for adventures, is it time to start looking at *Shoal Point Energy*? That's the junior with a ton of stock outstanding and some people hope/speculate is a massive oil play in Newfoundland.**



Well, once again our Mr. Stockdale is suggesting it's time to take a look, so maybe we should be. If you are checking out the story you'll notice one name on the board of directors who seems to specialize in interesting high risk/high reward plays and that's *John Clarke*. Previously one of Canada's top ranked oil and gas analysts two years running, you will notice that he is also on the board of directors and Vice President with *CGX Energy (OYL)*.

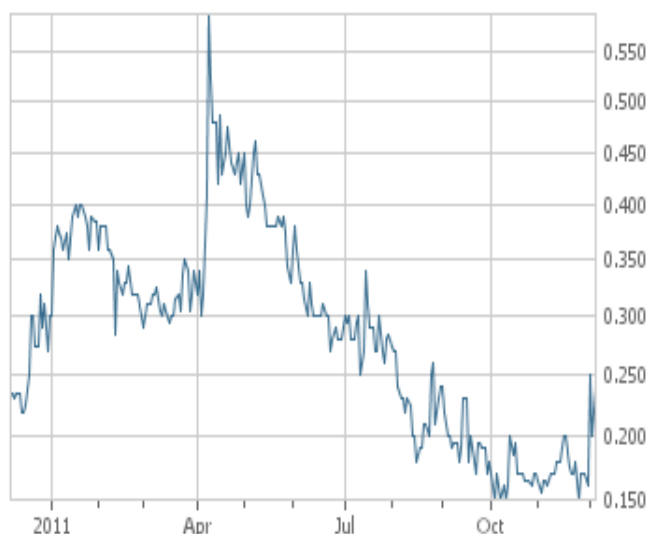
Meanwhile, the TAG Oil situation has caused Keith Schaefer of the Oil and Gas Investments Bulletin some interesting moments. He writes, "One of the privileges of being a newsletter writer with thousands of subscribers is that you get to make a public mockery of yourself at times. On Friday I sold 5000 shares of TAG Oil at \$5.10 because I didn't like the stock chart. Today, I just bought 10,000 shares at \$5.80, after news of their latest Cheal well—1780 bopd of oil—hit the market. There is a lot of running room left on this asset, with 18 wells approved.

He continues, "I was concerned that new GAS production would not be enough to stimulate the market's interest in the stock before the first Whangai shale results are due from the east coast drill program with Apache. But now that they have successfully drilled Mt. Messenger here with such a good drill result (they opened the choke fairly wide to get that eye-popping IP rate; I expect the well to initially produce lower than that, but pressure was strong and it's a GREAT well) there should be lots of news and production momentum to sustain the stock through the winter/spring up here (summer/fall down there)."

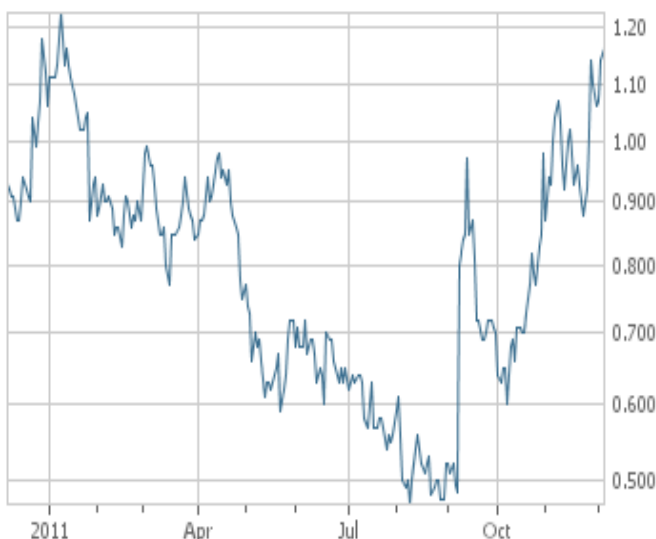
Schaefer writes, "The company said they are bringing this well onstream immediately, and is now doing 2700 bopd. I think there is a good chance that between another 3000 boe of gas at Sidewinder coming onstream, along with more successful development wells at Cheal, TAG could be producing 7000 bopd by end of Q1 2012."

Schaefer adds, "I suspect this is a major turning point for the stock. I will be willing to buy more on December 16, the day AFTER final appeals are due from local residents against TAG fracking in the area. (Yes, there is local opposition to fracking, like everywhere else) If there are no appeals, I will buy more—if there are appeals, I may still buy more but I will want to review just what's happening."

Shoal Point Energy Ltd (CNSX : C.SHP)



CGX Energy Inc. (TSXV : V.OYL)



DEB'S DITTY:  
I can handle pain...  
Until it hurts

To receive the Late Edition and be on our daily circulation simply e-mail Debbie at [Debbie.lewis@canaccord.com](mailto:Debbie.lewis@canaccord.com) and give your address, phone number and e-mail and we'll have you on the list tonight.