

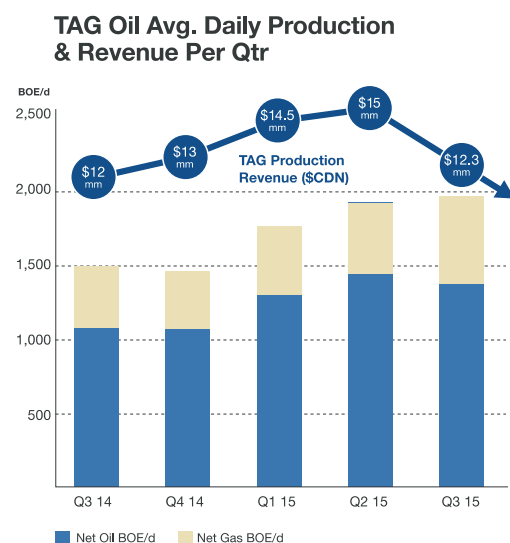


TSX: TAO
OTCQX: TAOIF

TAG Oil Records Increasing Oil Production and Q3 Results

Vancouver, B.C. – February 17, 2015 – TAG Oil Ltd. (TSX: TAO) and (OTCQX: TAOIF), is pleased to report the third quarter results for fiscal year ending March 31, 2015. The Company achieved operating revenues of \$12.28 million during the quarter, and average daily production grew 8% to 1,991 BOE/d (77% oil) compared to 1,845 BOE/d (78% oil) last quarter.

Growing TAG's oil production from its core Taranaki Basin oil field development area has been –



and will continue to be – a priority, and has been trending consistently upwards for an extended period of years. TAG's shallow Miocene drilling focus, which has been substantially de-risked through extensive 3-D seismic coverage and drilling over the past four years, will help fuel TAG's reserve-based growth in Taranaki. The Company also expects growth to come from drilling success on attractive shallow and deep formation prospects along trend with existing oil and gas discoveries in Taranaki.

"I commend the TAG Oil team for achieving a good result over the quarter, while reducing costs and identifying optimization opportunities," commented Alex Guidi, TAG Oil Chairman.

"Although we are reducing the level of high-risk

capital expenditure, TAG controls a quality, long-term development-stage asset, producing premium-priced (Brent) light oil with substantial remaining development, appraisal and exploration upside in multiple proven producing formations. When oil prices improve, should markets become more favorable, or should other opportunities arise, TAG is in position to increase the level of exploration activity."

Financial and Operating Highlights of Q3 FY15 (March 31 Year End)

- Average net daily production increased by 8% for the quarter ended December 31, 2014 to 1,991 boe/d (77% oil) from 1,845 boe/d (78% oil) for the quarter ended September 30, 2014.
- Oil and gas production increased by 7% and 10% respectively, due to the successful completion of the Cheal-B9, B10 and E6 development drilling, and continued production optimization at the Cheal E production site.
- Record net oil production volumes were achieved, averaging 1,543 bbl/d for the quarter ended December 31, 2014, which equates to a 44% increase over the same period last year.
- Average net daily production decreased by 7% for the first nine months of fiscal year 2015 to 1,863 boe/d (77% oil) from 1,992 boe/d (56% oil) for the same period last year due to lower Sidewinder gas production.



- At December 31, 2014, the Company had \$31.1 million (December 31, 2013: \$68.5 million) in cash and cash equivalents and \$32.9 million (December 31, 2013: \$71.2 million) in working capital.
- Revenue increased by 1% for the first nine months of fiscal year 2015 to \$44 million from \$43.5 million over the same period last year.
- Operating netback increased by 4% for the first nine months of fiscal year 2015 to \$59 per BOE from \$56.62 per BOE over the same period last year.
- Cashflow provided from operating activities increased by 9% for the first nine months of fiscal year 2015 to \$23.3 million from \$21.3 million over the same period last year.
- Net income before taxes decreased by 11% for the first nine months of fiscal year 2015 to \$7.9 million from \$8.9 million over the same period last year.
- The Company was awarded a 100% interest in the Sidewinder North acreage, extending TAG's Sidewinder gas and oil discovery play area by an additional 14,725 acres.

SUMMARY OF QUARTERLY INFORMATION

	2015			2014				2013
<i>Canadian \$000s, except per share or boe</i>	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net production volumes (boe/d)	1,991	1,845	1,750	1,486	1,527	2,100	2,354	1,691
Total revenue	12,282	16,179	15,571	14,025	12,939	15,885	14,698	12,298
Operating costs	(5,806)	(6,213)	(5,721)	(5,706)	(4,653)	(4,800)	(4,965)	(4,056)
Foreign exchange	(344)	1,206	(312)	2,246	(167)	(1,012)	146	426
Stock based compensation	(586)	(356)	(44)	(175)	(377)	(559)	(938)	(1,276)
Other costs	(6,490)	(5,669)	(5,804)	(4,562)	(4,771)	(7,102)	(5,420)	(7,375)
Net income (loss) before tax	(944)	5,147	3,690	5,828	2,971	2,412	3,521	17
Basic income (loss) \$ per share (BT)	(0.01)	0.08	0.06	0.09	0.05	0.04	0.06	0.00
Diluted income (loss) \$ per share (BT)	(0.01)	0.08	0.06	0.09	0.05	0.04	0.06	0.00
Capital expenditures	16,655	11,126	11,370	22,767	20,959	14,466	12,349	20,032
Operating cash flow ⁽¹⁾	3,968	9,702	7,715	6,774	6,101	8,562	8,468	18,136

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



Net Oil and Natural Gas Production, Pricing and Revenue

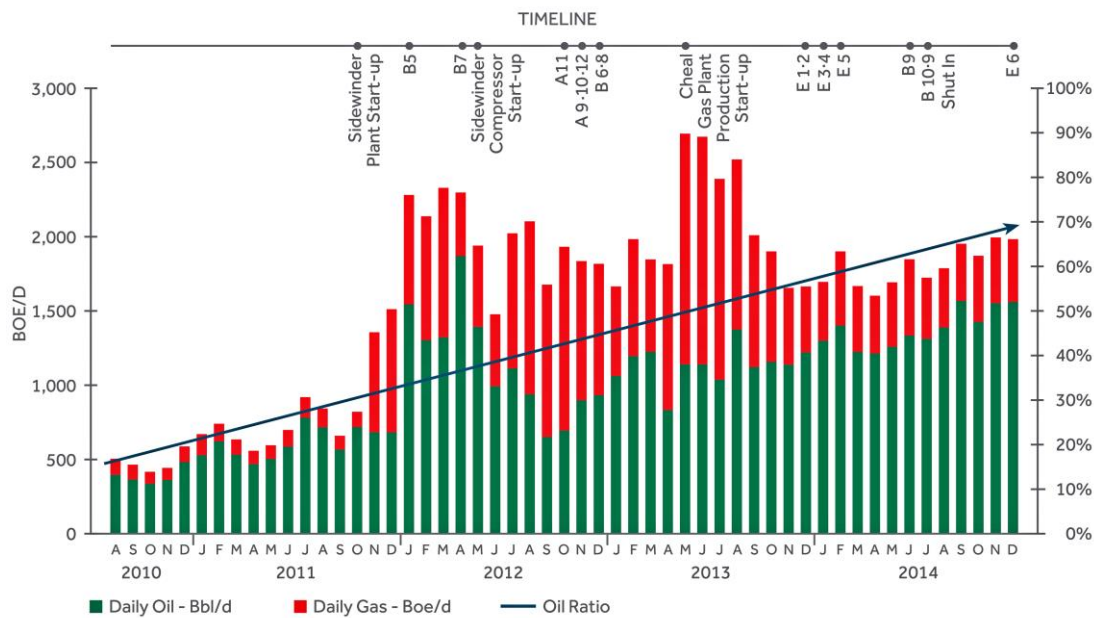
	2015	2015	2014	Nine months ended	
Daily production volumes ⁽¹⁾	Q3	Q2	Q3	2015	2014
Oil (bbls/d)	1,543	1,437	1,069	1,426	1,118
Natural gas (boe/d)	448	408	458	437	874
Combined (boe/d)	1,991	1,845	1,527	1,863	1,992
% of oil production	77%	78%	70%	77%	56%
Daily sales volumes (1)					
Oil (bbls/d)	1,536	1,447	1,061	1,422	1,114
Natural gas (boe/d)	208	176	351	195	747
Combined (boe/d)	1,744	1,623	1,412	1,617	1,861
Natural gas (mmcf/d)	1,248	1,056	2,106	1,172	4,482
Product pricing					
Oil (\$/bbl)	77.29	110.09	112.74	100.36	110.57
Natural gas (\$/mcf)	3.60	5.32	5.43	4.55	5.50
Oil and natural gas revenues ⁽³⁾ - gross (\$000s)					
	11,333	15,008	12,058	40,717	40,659
Oil & natural gas royalties ⁽²⁾	(1,070)	(1,361)	(1,398)	(3,706)	(4,505)
Oil and natural gas revenues - net (\$000s)	10,263	13,647	10,660	37,011	36,154

(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

AVERAGE MONTHLY PRODUCTION: OIL & GAS CONTRIBUTION (BOE)





Financial Outlook

TAG is a low cost, high netback oil producer that maintains a strong financial position. The Company anticipates moderate growth of the company's cash position, production and reserve additions over the coming quarters as it funds a conservative development drilling program over its core producing properties. At the end of the quarter, TAG had a cash position of \$31 million with no debt and there are currently 62,597,852 shares outstanding.

TAG Oil: Per Barrel Operating Netback (CDN\$/BOE)					
	Q3 Ended Dec 31, 2014 (actual)	Q2 Ended Sept 30, 2014 (actual)	US\$45 Brent oil pricing case (estimate)**	US\$55 Brent oil pricing case (estimate)**	US\$65 Brent oil pricing case (estimate)**
Revenue	\$71	\$101	\$52	\$63	\$74
RTSP*	\$30	\$34	\$29	\$30	\$31
Netback	\$41	\$67	\$23	\$33	\$43

** Brent oil converted to CDN\$ using a foreign exchange rate of 1.1923

* Royalty, transportation, storage and production costs

Over many years now, TAG has invested a considerable amount of capital into high-risk / high-reward exploration expenditure outside of the Company's Taranaki oil and gas field development acreage in search of a large new field or major unconventional frontier discovery. Given that commercial success has not as of yet been achieved from these capital-intensive exploration efforts, to adapt to the new oil price environment, TAG anticipates scaling back the exploration activities that do not meet its risk tolerance.

As announced in November 2014, TAG's capital budget for fiscal year 2015 was reduced to \$43 million, however further reductions are being considered as part of the ongoing review of capital programs. As recorded in TAG's MD&A, the Company has capital commitments of just under \$76 million over the next twelve months with capital spending previously budgeted of approximately \$85.5 million over the next eighteen months. The capital expenditure budget has now been amended as follows:

Revised Capital Program (CDN\$)

Operation	Budgeted commitments*	Revised commitments**	Description of Revision
Sidewinder operations	\$ 4,500,000	\$ Nil	Partner or relinquish
Cheal Development drilling	18,000,000	14,500,000	Postpone some work
Completions and side-tracks	Nil	3,000,000	In lieu of planned drilling
East Coast Basin drilling	19,000,000	Nil	Partner or relinquish
Seismic and other technical	5,000,000	Nil	Partner or relinquish
Kaheru-1 drilling	20,300,000	Nil	Postpone
Deep Well	15,700,000	Nil	Partner or relinquish
Cardiff uphole test	3,000,000	Nil	Postpone
Total	\$ 85,500,000	\$ 17,500,000	

** The Company has applied for necessary approvals to alter and/or extend commitments on certain exploration properties and in some cases, if approvals are not granted and suitable joint-venture partnerships are not concluded, the Company may choose to relinquish the exploration permit.

* Budgeted commitments assumes meeting all planned exploration commitments combined with drilling six non-committed Taranaki development wells per year.



Corporate Update

TAG Oil is also pleased to announce that Mr. Brad Holland, a highly experienced oil and gas engineer, will join the Board of Directors of the Company on March 1, 2015. He will replace Dr. Douglas Ellenor whose resignation for personal reasons will become effective on that date as well.

Mr. Holland holds a B.Sc. Chemical Engineering degree from the University of Alberta and has more than thirty years of experience and expertise in the planning, design and project management of oil and gas industry projects, which includes eighteen years as Senior Project Engineer for Saudi Aramco, a global leader in oil and gas. Over the course of his career, Mr. Holland has been responsible for the design and management of multiple oil and gas large diameter pipeline projects around the world, and he will be an integral addition to TAG Oil's Board as the Company embarks on the next phase of development. Effective March 1, 2015, TAG Oil's Board will consist of Alex Guidi, Keith Hill, Ken Vidalin and Brad Holland.

Mr. Guidi commented, "I wish to personally thank Douglas Ellenor for his short but valuable contribution to TAG, and his positive technical view of TAG's Taranaki Basin operations. I also welcome Mr. Holland's extensive engineering and production infrastructure expertise. Along with our other Board members, we collectively bring many years of oil and gas, corporate and entrepreneurial experience to TAG.

"Additionally, I would like to note that TAG's outgoing management, Messrs. Johnson and Cadenhead, were integral in transforming TAG from an exploration-centric company to a well-heeled development-stage producing company, with a qualified technical and operational team in place capable of exploiting the substantial upside potential from TAG's oil and gas assets, which has left the Company in a favourable position during this current down cycle to be able to consider new opportunities and strategies for shareholder growth."

TAG Oil Ltd

TAG Oil Ltd. (<http://www.tagoil.com/>) is a Canadian-based development-stage oil and gas company with extensive operations in New Zealand. With 100% ownership over its core producing assets, including production infrastructure and associated pipeline, TAG is managing organic growth and shareholder value creation through development of its oil and gas discoveries. As New Zealand's leading explorer, TAG is focused on increasing reserves and high netback oil production from low-risk oil field development and exploration prospects prospective for oil and gas discovery in the Taranaki region of New Zealand.

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**Netbacks:**

TAG Oil's netback is the operating margin that it receives from each BOE sold. The method of calculation that was used to determine the netbacks that are disclosed in this release were calculated by subtracting TAG Oil's royalty, transportation, storage and production costs from its revenues.

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, 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, 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 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. 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.