TSX: TAO
OTCQX: TAOIF

TAG Oil Provides Update on Cheal-D1 Testing

Vancouver, B.C. – September 5, 2017 – TAG Oil Ltd. (the "Company" or "TAG Oil") (TSX: TAO and OTCQX: TAOIF) announces the completion of drilling and testing operations at the Cheal-D1 exploration well, which is located near the northern portion of TAG Oil's 70% working interest and operated Cheal East permit (PEP 54877) in the Taranaki Basin of New Zealand. TAG Oil drilled and completed the Cheal-D1 well approximately five days ahead of schedule and under budget to a total measured depth of 2,400 m. The Company perforated an 18 m section of gas bearing sands in the Urenui formation. Following extensive testing it was determined that gas was present, however not in sufficient quantities to produce as an economic discovery. The well will be suspended with a plan to potentially re-enter in the future.

All current drilling commitments on the Cheal East permit have now been met. Further testing work may be undertaken in the future to investigate other potential exploration opportunities in the neighboring fault blocks, as well as the potential of the two intervals of deeper Mt. Messenger sands that were encountered while drilling.

Toby Pierce, TAG Oil's CEO commented, "Needless to say, I am disappointed that this well did not contain commercial quantities of hydrocarbons, however, based on these test results and further mapping, we will investigate the potential of side-tracking the well into an adjacent fault block in due course. TAG will now focus on preparing to drill the high impact Pukatea exploration well in fiscal Q4/18, advancing its farm-out activities and working on a range of optimization and exploitation opportunities."

About TAG Oil Ltd.

TAG Oil (http://www.tagoil.com/) is a development-stage international oil and gas producer with established high netback production, development and exploration assets, including production infrastructure in New Zealand and Australia. TAG Oil is poised for significant reserve and production growth with several oil and gas fields under development and high-impact exploration in proven oil and gas fairways. TAG Oil is debt-free and currently has 85,282,252 shares outstanding.

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similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. All estimates and statements that describe the Company's plans relating to operations, including the Cheal East permit, are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. 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 will 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 Oil and its independent evaluator have made, including TAG Oil's most recently filed reports in Canada under National Instrument 51-101, which can be found under TAG Oil's SEDAR profile at www.sedar.com. TAG Oil 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.